



Residential and Commercial Revaluation

2015 Annual Report

MOUNT VERNON

REVALUATION CYCLE 6

**Skagit County Assessor's Office
Mount Vernon, Washington**



Dear Property Owner:

The Assessor's office staff has completed real property physical inspections for the Mount Vernon revaluation area, defined as all property within the boundary of the Mount Vernon School District. In October 2015, upon completion of the assessment process and new construction inspections, change of value notices were mailed to those property owners whose assessments were affected.

The 2015 Mount Vernon Revaluation Annual Report, which follows this letter, summarizes the real property physical inspections which occurred and the resulting assessments. The information provided in the report is meant to assist the property owner in gaining knowledge regarding the inspection and valuation processes which are utilized by the Assessor's office.

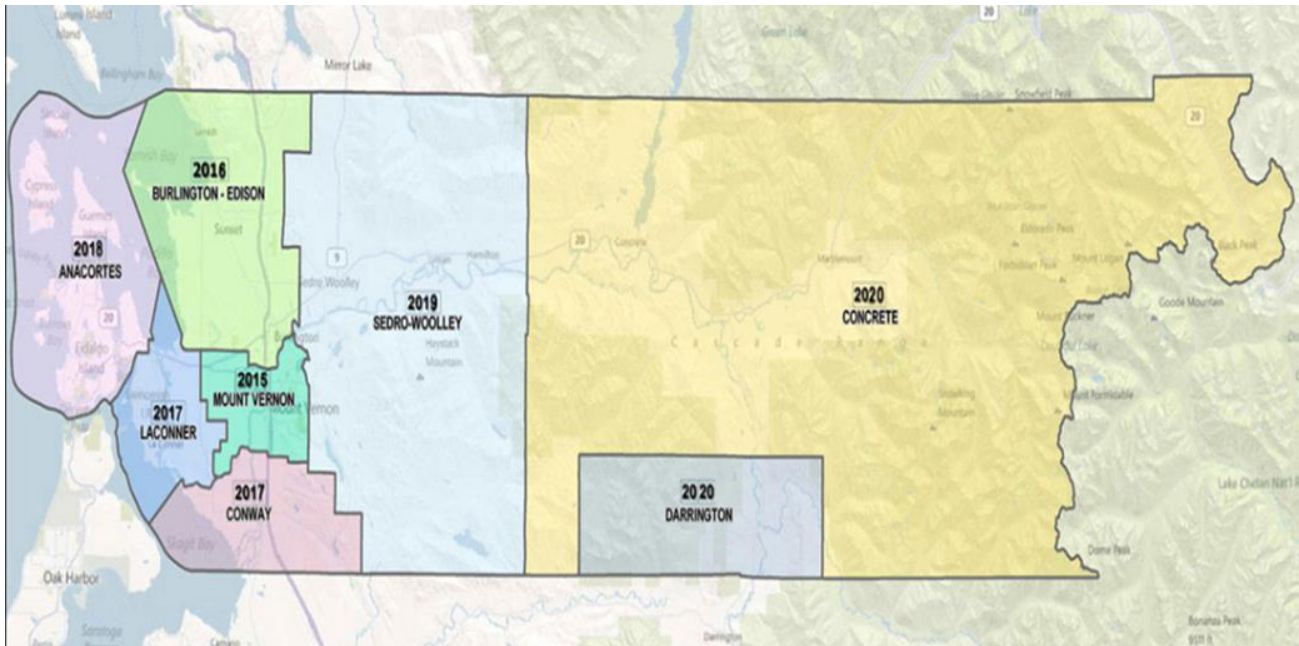
As Skagit County Assessor, I encourage my staff to implement new methodologies in achieving continuous and ongoing improvements to the valuation process, while adhering to our requirement of determining property valuation at fee simple title reflecting its highest and best use, and at its true and fair market value as mandated per RCW 84.40.030. These fair and uniform assessments are fundamental to our property tax system and maintaining effective government services.

We welcome you to contact us with any questions you may have regarding the assessment process as detailed in the following report and how it relates to your property.

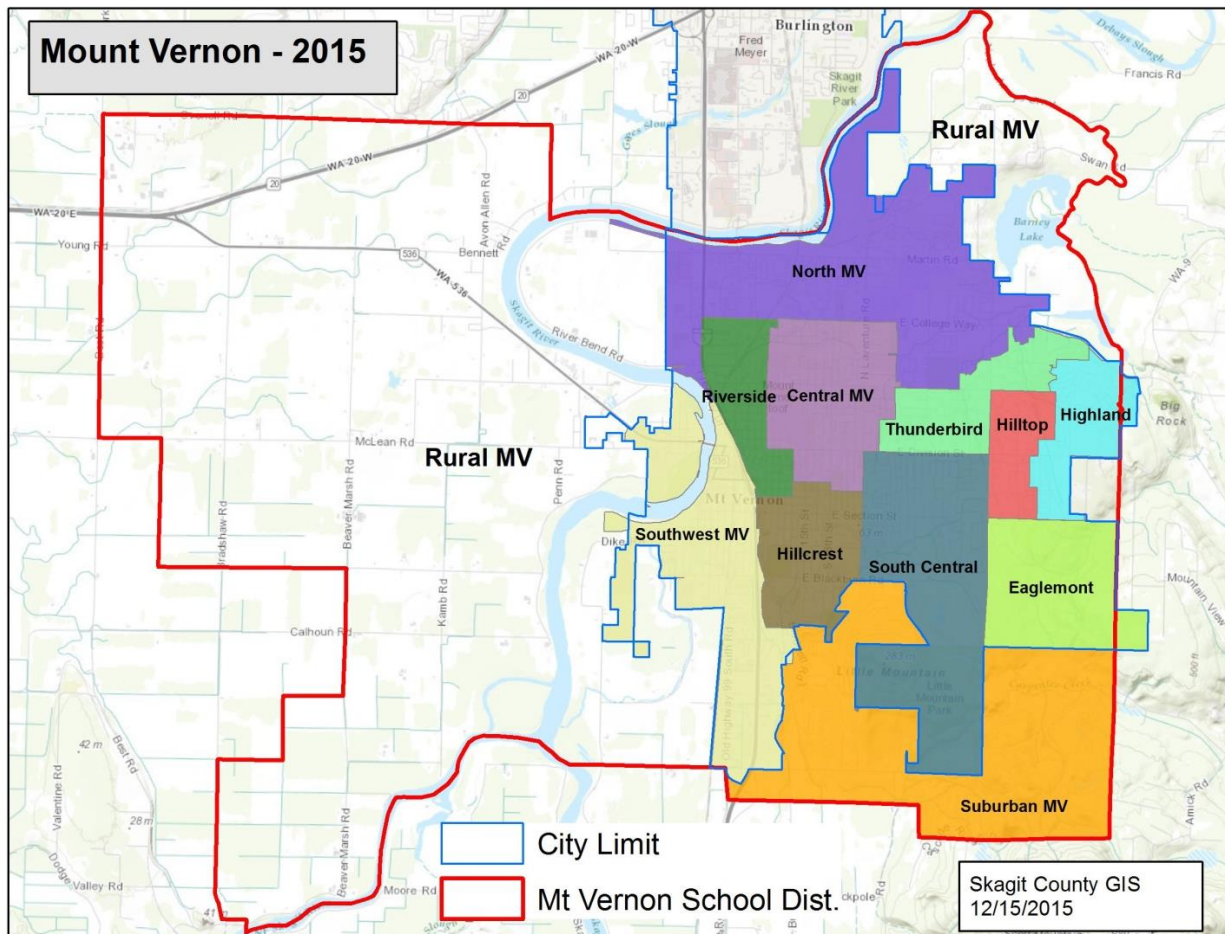
Sincerely,

David M. Thomas
Skagit County Assessor

SKAGIT COUNTY REVALUATION REGIONS



MOUNT VERNON REVALUATION AREA - CYCLE 6



EXECUTIVE SUMMARY

A study of valid sales within the physical inspection cycle was used in examining the valuation of the Mount Vernon Revaluation Area. Below is a summary analysis of the sales that were used. Please refer to the glossary at the end of the report for statistical definitions.

	SFR		Condominium		Commercial	
	Before Reval	After Reval	Before Reval	After Reval	Before Reval	After Reval
SAMPLE STATISTICS						
Sample Size (n)	464		33		18	
Mean Assessed Value	\$ 198,000	\$ 223,600	\$ 176,600	\$ 187,600	\$ 821,500	\$ 888,100
Mean Sales Price	\$240,000		\$201,000		\$937,500	
ASSESSMENT LEVEL						
Arithmetic Mean Ratio	83.71%	93.63%	88.30%	93.96%	102.91%	98.19%
Median Ratio	82.84%	93.71%	88.89%	93.58%	99.38%	96.34%
Weighted Mean Ratio	82.50%	93.17%	87.86%	93.33%	87.63%	94.73%
UNIFORMITY						
Coefficient of Dispersion (COD)	10.37%	6.83%	9.44%	4.00%	21.06%	8.07%
Coefficient of Variation (COV)	13.95%	9.57%	11.64%	5.46%	27.78%	10.09%
Price-related Differential (PRD)	1.01	1.00	1.00	1.01	1.17	1.04
SAMPLE SIZE EVALUATION						
N (population size)	13,936		508		1,656	
B (acceptable error)	5%		5%		5%	
S (estimated from this sample)	0.1168	0.0896	0.1028	0.0513	0.2859	0.0991
Recommended minimum sample size	22	13	16	4	121	16
Actual sample size	464	464	33	33	18	18
Conclusion	OK	OK	OK	OK	Low	OK
NORMALITY						
Binomial Test						
# ratios below mean	247	229	16	18	11	11
# ratios above mean	217	235	17	15	7	7
Z-score	1.346291202	0.232119173	0	0.348155312	0.707106781	0.707106781
Conclusion	Normal*	Normal*	Normal*	Normal*	Normal*	Normal*
*no evidence of non-normality						

Executive Summary Conclusion

Value changes for all three market segments in the physically inspected area were the result of a calibrated cost approach. As resources and available data allowed, an income approach was implemented as an alternative method and test of reasonableness for commercial properties. When warranted, all property types were then modified based on sales of comparable properties within each classification via the sales ratio analysis summarized above. The sales samples indicate normal distributions and the post-revaluation values improve uniformity and equity. The results are therefore considered to provide a reliable representation of fair market value for all three market segments and we recommend posting these values for the 2015 assessment year.

Introduction

This mass appraisal report is a post-revaluation report card on the physical inspection cycle. It is not a fully self-contained appraisal but rather a summary for the geographic areas identified in the report. The summary statistics apply to the population of sales used as a whole, and are not appropriate to apply to any specific property. While property values in a general geographic area may change by XX% on average, individual properties may increase or decrease at greater or lesser amounts due to changes in property characteristics or localized market factors which do not affect the broader geographic area.

Type of Report

This Skagit County Assessor's Mass Appraisal Report is for the geographic area named in this report as required under Standards 6-8, Uniform Standards of Professional Appraisal Practice (USPAP).

This document is not intended to be a self-contained documentation of the mass appraisal. Its intent is to summarize the methods and data used, and to guide the reader to other documents or files which were relied upon to perform the mass appraisal. These other documents may include the following:

Individual property records – contained in the Assessor's property system database (PACS)

Sales review file – returned questionnaires

Cost tables – contained in the Assessor's property system database (PACS)

Depreciation tables – contained in the Assessor's property system database (PACS)

Revised Code of Washington (RCW) – Title 84

Washington Administrative Code (WAC) – WAC 458

Uniform Standards of Professional Appraisal Practice (USPAP) – published by the Appraisal Standards Board of the Appraisal Foundation

County Assessor's Manual – published by Department of Revenue (DOR), November 2011

Mass appraisal report – data extracts and sales files

Appraisal Team

The following Skagit County Assessor's staff participated by varying degrees in all aspects of the 2015-2016 Mount Vernon Revaluation, including physical property inspection, land and improvement valuation, cost and depreciation table development, sales verification, and sales and statistical analysis.

Annette DeVoe –	Chief Deputy	Ben Dodge –	Residential Appraiser II
Brad Guerrero –	Residential Appraisal Trainee	Brian Herring –	Appraiser/Analyst
Buck Young –	Sr. Residential Appraiser	Chris Zimmerman –	Residential Appraiser Trainee
Dana Tyree –	Commercial Appraiser II	Danny Haggen –	Residential Appraiser Trainee
Jane Sneeringer –	Sr. Commercial Appraiser	Julie Priest –	Residential Appraiser III
Lois Wedekind –	Residential Appraiser II	Rich Holtrop –	Residential Appraiser III
Steve Pedersen –	Residential Appraiser III	Tim Light –	Residential Appraiser I

Client

This mass appraisal report was prepared for David M. Thomas, Skagit County Assessor.

Client Instructions to Appraisers

- Appraise all properties in each physical inspection cycle by the date specified in the approved Skagit County revaluation calendar.
- The appraisals are to be compliant with Revised Code of Washington (RCW), Washington Administrative Code (WAC), Department of Revenue (DOR) guidelines, International Association of Assessing Officers (IAAO) Standard on Ratio Studies (January 2010 edition), IAAO Standard on Mass Appraisal of Real Property, and the Uniform Standards of Professional Appraisal Standards (USPAP) Standard 6: Mass Appraisal, Development and Reporting.
- The appraisals are to be performed using industry-standard mass appraisal techniques, including adjusting sale prices for time when warranted.
- Physical inspections must comply with the revaluation plan approved by the Washington State Department of Revenue. Physical inspections will at a minimum be performed by a curbside visit and review of the property characteristics.
- An effort should be made to inspect and review all qualified sales that occurred in the year prior to the assessment date. Those qualified sales which are determined to be outliers should be examined as resources allow. In lieu of examination, a sales questionnaire may be mailed to the property owner and/or an internet review performed.
- A written mass appraisal report which is compliant with USPAP Standard 6 must be completed for each of Skagit County's physical inspection cycle.
- The intended use of the appraisals and subsequent report is for the administration of ad valorem property tax assessment.

Intended User(s)

The intended user(s) of this report include the Skagit County Assessor, the Skagit County Board of Equalization, the Skagit County Treasurer, all Skagit County levying authorities, the Washington State Board of Tax Appeals, and the Washington State Department of Revenue. No other users are intended or implied.

Intended Use

The intended use of this report is limited to the administration of ad valorem taxation purposes in accordance with Washington State law and its administrative code. After certification by the Assessor, the concluded values will be used as the basis for assessment of real estate taxes payable in 2016. The information and conclusions contained in this report cannot be relied upon for any other purpose.

Assumptions and Limiting Conditions

1. This revaluation is a mass appraisal assignment resulting in conclusions of market value for ad valorem tax purposes, and no one should rely on this study for any other purpose. The opinion of value on any parcel may not be applicable for any use other than ad valorem taxation.
2. This is a retrospective analysis with an assumed data cut-off date as of the appraisal date specified in this report.
3. Properties are appraised as if free and clear of any and all liens or encumbrances unless otherwise stated.
4. No personal property is included in the value. Fixtures are generally accepted as real property. Business value is personal property and exempt.
5. Responsible ownership and competent property management are assumed.
6. It is assumed that there are no hidden conditions of the property, subsoil or structures that render it more or less valuable unless specifically noted in the property system database.
7. The appraiser is not qualified to detect the existence of potentially hazardous materials which may or may not be present on or near the property. The existence of such substances may have an effect on the value of the property. It is assumed that there are no hazardous materials affecting the value of the property, unless specifically identified in the property system database.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws, unless noncompliance has been noted in the property system database.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless otherwise noted in the property system database.
10. It is assumed that all required licenses, permits, certificates, consents, easements or 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 value estimate is based, unless otherwise noted in the property system database.
11. It is assumed that there are no adverse easements, encroachments, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of similar nature significantly affecting the value of the property, unless otherwise noted in the property system database.
12. No responsibility is assumed for matters pertaining to legal or title considerations.
13. Fiscal constraints may impact data completeness and accuracy, valuation methods, and valuation accuracy.
14. The Assessor's records are assumed to be correct for the properties appraised.

15. Sales utilized are assumed to be arm's-length market transactions based on initial validation review; fiscal constraints limit the Assessor's ability to verify all transactions beyond this initial sales screening. Secondary sales validation may include the mailing of sales questionnaires, internet research, and physical inspection.
16. The subject property is assumed to be buildable unless otherwise noted in the property system database.
17. It is assumed that the property is unaffected by any federal, state or local sensitive or critical area regulations, unless otherwise noted in the property system database.
18. Maps, aerials, and drawings may be included to assist the intended user in visualizing the property; however, no responsibility is assumed as to their exactness.
19. The value conclusions contained in this report apply to the subject parcels only, and are valid only for assessment purposes. No attempt has been made to relate the conclusions in this report to any other revaluation, past, present or future.
20. It is assumed that exposure time for the properties appraised is typical for their market area.
21. It is assumed that the legal descriptions stored in the Assessor's property system database for the properties appraised are correct. No survey or search of title of the properties has been made for this report and no responsibility for legal matters is assumed.
22. Rental rates, when employed, were calculated in accordance with generally-accepted appraisal industry standards.
23. The Skagit County Assessor's office does not employ a sales database that captures property characteristics at the time of sale. Staffing resources preclude the level of sales review which is required to support this activity.
24. Exterior inspections were made of all properties in the physical inspection areas per the revaluation plan approved by the Washington State Department of Revenue. Due to lack of access, some properties did not receive walk-around inspections, nor did improved properties receive interior inspections. An effort was made to either inspect or validate the researched sales.
25. The values reported herein are only valid as of the date of this report. Values of individual properties may change through normal jurisdictional processes.
26. Time adjustments were not made to sales due to lack of activity with which to consider for time trend analysis.
27. Where Appraisal Trainees participated in the appraisal process, they were supervised and their work reviewed by a Washington State Department of Revenue accredited appraiser who ultimately holds accountability for the work performed.

Jurisdictional Exception

The mass appraisal must be completed within the time constraints set by statute, and with the work force and financial resources available. As these constraints limit the scope of work performed for the mass appraisal, limiting the ability to fully comply with USPAP Standard 6, the jurisdictional exception as provided for in Standard 6 is invoked.

Date of Appraisal

The appraisal date for properties other than new construction is January 1, 2015.

RCW 84.40.020

Assessment date — Average inventory basis may be used — Public inspection of listing, documents, and records.

All real property in this state subject to taxation shall be listed and assessed every year, with reference to its value on the first day of January of the year in which it is assessed.

The appraisal date for new construction, for those properties which were issued a building permit or should have been issued a building permit, is July 31, 2015.

RCW 36.21.080

New construction building permits — When property placed on assessment rolls.

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

Date of Report

The date of this mass appraisal report is December 25, 2015.

Type of Value: Market Value

The basis of all assessments is the true and fair market value of property. True and fair market value (Spokane etc. R. Company v. Spokane County, 75 Wash. 72 (1913); Mason County Overtaxed, Inc. v. Mason County, 62d (1963); AGO 57-58, No. 2, 1/8/57; AGO 65-66, No. 65 12/31/65... or amount of money a buyer is willing but not obligated to buy would pay for it to a seller willing but not obligated to sell. In arriving at a determination of such value, the assessing officer can consider only those factors that can within reason be said to affect the price in negotiations between a willing purchaser and willing seller, and he must consider all of such factors (AGO 65.66. No. 65, 12/31/65).

Property Rights Appraised: Fee Simple Title

Fee simple title indicates ownership that is absolute and subject to no limitation other than eminent domain, police power, escheat and taxation. (International Association of Assessing Officers, *Glossary for Property Appraisal and Assessment*, (Chicago. IAAO 1997).

REVALUATION PROCESS

Overview

Value changes for all three market segments (single-family residential, condominium, and commercial) in the physically inspected area were the result of a calibrated cost approach. In the cost approach, land values are added to the replacement cost new of improvements, less their depreciation. As time allowed and sufficient data was available, an income approach was employed as a calibration method for the income-producing properties. The calibration method for all three property types was a sales ratio study. Sale samples were identified and analyzed by dividing assessed values by their respective sale prices to produce a sale ratio. This analysis is the basis for adjusting land and/or improvement values for a given population of properties.

Inspection of Properties

RCW 84.41.041

Each county assessor shall cause taxable real property to be physically inspected and valued at least once every six years in accordance with RCW 84.41.030, and in accordance with a plan filed with and approved by the Department of Revenue.

The Mount Vernon School District is Region/Cycle 6 and is scheduled for the 2015 real property physical inspection.

Sales Source

The Skagit County Assessor's Office utilizes sales obtained from real estate excise tax affidavits filed with the Skagit County Treasurer's Office. A query of sales throughout the County was performed for the time period of May 1, 2014 – April 30, 2015, which is the timeframe prescribed by the Washington State Department of Revenue for sales ratio analysis.

Sales Review

Sales are assumed to be arm's length transactions based on initial screening in the sales verification process utilizing standards published by the Washington State Department of Revenue.

Sales located in the scheduled physical inspection revaluation area receive at a minimum an external inspection. Sales identified as being an outlier or outside of the physical inspection revaluation area may receive a sales questionnaire and/or be scheduled for sales review. The sales review may include a site visit, contact with either the buyer or seller of the property, and/or a review of published information on various real estate websites. Time and workforce constraints may limit the level of sales review that can be performed.

Standards and Measurement of Data Accuracy

Current data was verified via field inspection, coded per the Assessor's procedural manual, and corrected when necessary. Each sale was verified with the buyer, seller, real estate agent or tenant when possible.

Certificate of Appraisal

- The appraiser is (at minimum) accredited by the State of Washington, Department of Revenue. By signing this report, the appraiser certifies that he or she has the knowledge and expertise to complete this Assessor's Annual Report of Appraisal with professional assistance if required and disclosed.
- To the best of the appraiser's knowledge and belief, all statements and information in this report are true and correct, and the appraiser has not knowingly withheld any significant information.
- The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and is the appraiser's personal, impartial and unbiased professional analysis, opinions and conclusions.
- The appraiser has no bias with respect to any property that is the subject of this report or to the parties involved with this assignment.
- The appraiser's engagement in this assignment was not contingent upon developing or reporting predetermined results.
- The appraiser's compensation for completing this assignment is not contingent upon the 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.
- The appraiser's analyses, opinions, and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP).
- Inspections were performed by appraisers of the Skagit County Assessor's Office.

SIGNATURES ON FILE

MOUNT VERNON SINGLE-FAMILY RESIDENTIAL REVALUATION REPORT

Area Name:	All Mount Vernon Single-Family Residential properties (excluding condominiums and mobile homes on leased land)
Cycle Number:	6
Parcel Count:	13,936
Previous Physical Inspection:	2009
Effective Date of Appraisal:	January 1, 2015
Date of Physical Inspections:	October 1, 2014 – September 15, 2015
Range of Sale Dates:	May 1, 2014 – April 30, 2015
Number of Valid Sales:	464

Sales Summary

All single-family residential (excluding condominiums and mobile homes on leased land) sales which were verified as valid that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. A list of the utilized valid sales follows in the individual neighborhood summaries.

Overall Value Sale Price Ratio COD: 6.83%

The Coefficient of Dispersion (COD) is a measure of uniformity; the lower the number the better the uniformity. IAAO Standard 14.2.2 recommends the COD for single-family residences should be 15.0 or less. In areas of newer or fairly similar residences it should be 10.0 or less.

Highest and Best Use Analysis

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

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of the property as improved for most properties. The existing use will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. In most cases, we find that the current improvements do add value to the property and are therefore the highest and best use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

Interim Use: In many instances a property's highest and best use may change in the foreseeable future. For example, an improved residential property may be located near a commercial zone area

that is slowly expanding and creating pressure for redevelopment. The use to which the site is currently put until the redevelopment pressure is too great is called an interim use. Thus, interim uses are current highest and best uses which are likely to change in a relatively short period of time.

General Area Boundaries

The entire Mount Vernon School District.

Area Description

Mount Vernon is located along the Skagit River and is surrounded by the rich Skagit Valley farmlands to the west and south, with the foothills of the Cascade Mountains lying to the east. Mount Vernon is the largest city and the county seat of Skagit County. Along with the neighboring city of Burlington to the north, it is the commercial center of the county. They are both intersected by Interstate 5, the west coast's major north-south transportation corridor. It has experienced significant growth in residential development over the last twenty years with expansion of the city limits eastward. Many newer subdivisions comprised of moderate to upper-priced homes have appeared along East Division Street, a major east-west arterial. Central Mount Vernon, historically referred to as "The Hill" contains a mixture of residential neighborhoods of homes built primarily between the 1920's through the 1980's, along with a large medical-professional center surrounding Skagit Valley Hospital. The city center lies below and west and is comprised of primarily older residential, transitional, and commercial properties.

The rapid growth in residential development was interrupted by the "Great Recession" and many developers and new homeowners were affected. Banks foreclosed on a number of incomplete subdivisions and completed homes as the supply of new homes far exceeded demand. A number of recently purchased homes became subject to foreclosure due to higher unemployment and declining values. The last two years have seen a recovery in the housing market with a resurgence in new development and increasing real estate values.

Mount Vernon offers a wide variety of housing options, from rentals to starter homes to elegant view properties. Every level of quality and construction style are present, including residential condominiums, townhomes, apartments, single-family homes, commercial and industrial properties. For the 2015 revaluation, extensive re-classification of neighborhoods occurred to better define submarkets for assessment purposes. The neighborhood re-classification considered characteristics such as location, predominant land use, age of homes, quality of construction, and stage in the life cycle of the neighborhood. This allowed for superior analysis of comparable sales data and improved equity of assessments. The following pages summarize sales and assessment information for each of these neighborhoods.

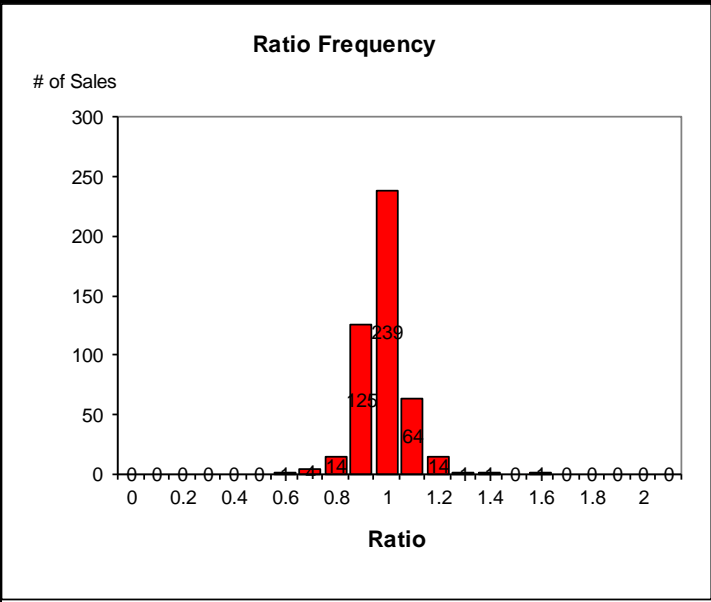
Conclusion and Recommendation

Value changes of single-family residential properties in the physically inspected area were the result of applying current replacement cost tables to the improvements, less depreciation, then combining with a land value, as determined by sales of similar, vacant land or by extracting land value from improved property sales. Values resulting from this process were then modified when warranted, based on sales of comparable properties within each plat or neighborhood. The sales sample of the single-family residential market segment indicates a normal distribution and the post-revaluation values improve uniformity and equity. The results are therefore considered to provide a reliable representation of fair market value and we recommend posting these values for the 2015 assessment year.

MOUNT VERNON RESIDENTIAL SALES RATIOS AFTER REVALUATION

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: All MV SFR	Appr ID: ALL	Prop Type: SFR Residential	Trend used?: No

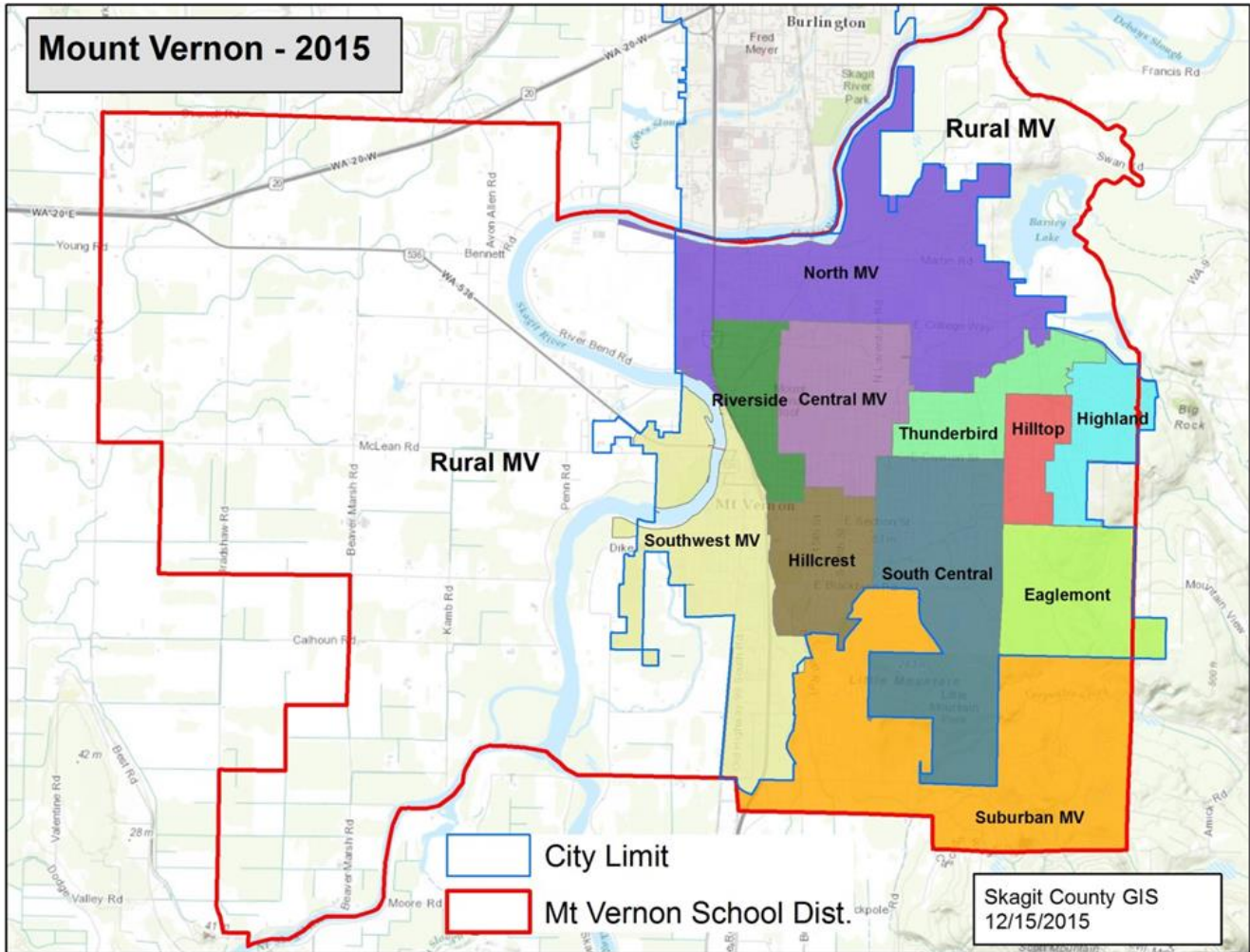
SAMPLE STATISTICS	
Sample Size (n)	464
Mean Assessed Value	223,600
Mean Sales Price	240,000
Standard Deviation AV	79,566
Standard Deviation SP	85,976
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.936
Median Ratio	0.937
Weighted Mean Ratio	0.932
UNIFORMITY	
Lowest ratio	0.5749
Highest ratio	1.5275
Coefficient of Dispersion	6.83%
Standard Deviation	0.0896
Coefficient of Variation	9.57%
Price-related Differential	1.00
RELIABILITY	
95% Confidence: Median	
Lower limit	0.930
Upper limit	0.946
95% Confidence: Mean	
Lower limit	0.928
Upper limit	0.944
SAMPLE SIZE EVALUATION	
N (population size)	13936
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.0896
Recommended minimum	13
Actual sample size	464
Conclusion	OK
NORMALITY	
Binomial Test	
# ratios below mean	229
# ratios above mean	235
Z-score	0.232119173
Conclusion	Normal*
*i.e., no evidence of non-normality	



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

The sales used in this analysis are a compilation of the individual neighborhood sales lists presented in the following neighborhood breakdown pages.

MOUNT VERNON NEIGHBORHOOD MAP



The following pages break down the residential market segment into 12 residential neighborhood sub-areas which are depicted above and provide more narrowly defined statistical analysis and sales lists.

NEIGHBORHOOD SUMMARY

Neighborhood:	Central Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	996
Sales Sample Size:	36

Sales Summary

There were a total of 36 valid, arm's length sales considered for statistical analysis. Distressed property sales' activity declined significantly as only six bank-owned and short sales were invalidated for analysis purposes (0.6% of the neighborhood parcel count). Two other sales were invalidated as tax-exempt transactions.

General Neighborhood Boundaries

North – College Way

West – North 9th Street

East – North 26th Street

South – East Kincaid/East Broadway Streets

Neighborhood Description

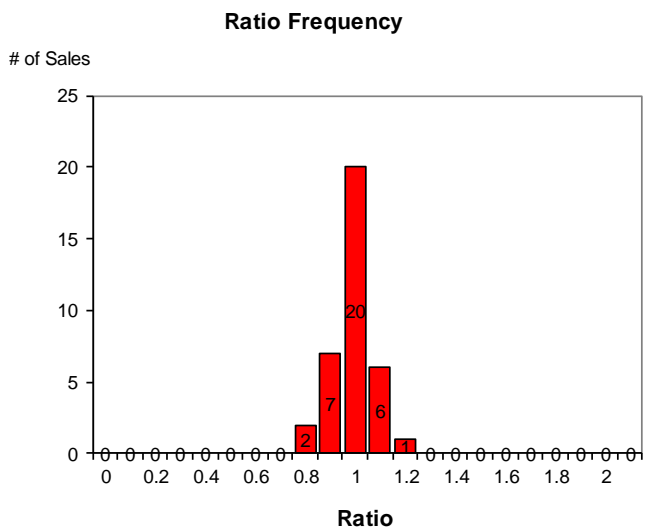
The Central neighborhood is a developed area with homes built in the early 1900's to present. Within the neighborhood one will find a variety of home styles such as bungalow, Cape Cod, craftsman, ranch, single-story, two-story, split-entry, tri-level and mobile homes. There are numerous and diverse single-family zoning types with minimum lot sizes ranging from 4,500 to 9,000 square feet. There also exists planned unit development (PUD) plats, condominium, multi-family, commercial, mixed transitional commercial, and public zones.

Older homes are located throughout the neighborhood. Some homes such as those located in Hayton's Addition to Mount Vernon have been restored to their original luster, while others with deferred maintenance require major repair. Platted additions such as the Bel-Air Additions and Mount Baker View Additions were platted in the late 1960's and early 1970's and primarily contain ranch style homes; they are located in areas such as 18th Street, East Fir Street, and LaVenture Road. Widnor Drive plat was developed in 1970 and contains 44 lots of double-wide manufactured homes. In the 1980's to 1990's development occurred southward with two-story homes being built in the Viewcrest and Highland Glen platted additions. The Logan Creek PUD, platted in the late 1980's has townhouse units, along with a few individual single units for condo-style living.

Property owners in the Central area have easy access to shopping, schools, library, clinics, and the local hospital. The location is also convenient for traveling to neighboring cities such as Burlington and Bellingham where one may find larger shopping malls, theatres, big-box retailers, etc.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Central	Appr ID: LAW	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	36		
Mean Assessed Value	170,100		
Mean Sales Price	182,600		
Standard Deviation AV	51,017		
Standard Deviation SP	51,749		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.932		
Median Ratio	0.943		
Weighted Mean Ratio	0.932		
UNIFORMITY			
Lowest ratio	0.7125		
Highest ratio	1.1491		
Coefficient of Dispersion	6.65%		
Standard Deviation	0.0879		
Coefficient of Variation	9.43%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.906		
Upper limit	0.961		
95% Confidence: Mean			
Lower limit	0.903		
Upper limit	0.961		
SAMPLE SIZE EVALUATION			
N (population size)	996		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0879		
Recommended minimum	12		
Actual sample size	36		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	13		
# ratios above mean	23		
Z-score	1.500000000		
Conclusion	Normal*		
<i>*i.e., no evidence of non-normality</i>			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(CENTRAL MOUNT VERNON)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
52342	\$ 190,800	\$ 226,000	04/23/2015
52420	\$ 232,000	\$ 267,500	04/20/2015
25747	\$ 223,100	\$ 239,000	04/15/2015
81397	\$ 118,100	\$ 126,000	03/31/2015
126044	\$ 354,200	\$ 357,000	03/30/2015
54883	\$ 99,100	\$ 136,860	03/13/2015
53335	\$ 173,600	\$ 210,000	03/09/2015
53795	\$ 137,900	\$ 165,000	03/05/2015
81349	\$ 178,900	\$ 208,500	02/24/2015
81412	\$ 184,800	\$ 205,000	02/04/2015
81408	\$ 131,500	\$ 138,000	12/18/2014
53764	\$ 135,900	\$ 160,000	12/15/2014
81409	\$ 128,200	\$ 137,000	12/08/2014
53422	\$ 233,400	\$ 242,900	12/02/2014
53060	\$ 96,900	\$ 136,000	11/20/2014
53823	\$ 156,800	\$ 166,500	11/19/2014
81415	\$ 172,700	\$ 169,000	11/07/2014
26039	\$ 165,700	\$ 205,000	10/15/2014
54921	\$ 88,400	\$ 85,000	10/10/2014
53809	\$ 160,000	\$ 165,000	10/08/2014
78824	\$ 155,200	\$ 163,000	09/30/2014
81382	\$ 112,700	\$ 120,000	09/15/2014
81381	\$ 120,500	\$ 130,000	09/11/2014
26851	\$ 164,900	\$ 143,500	09/10/2014
118967	\$ 181,200	\$ 189,950	08/19/2014
53361	\$ 195,400	\$ 189,000	07/31/2014
78821	\$ 170,100	\$ 179,220	07/31/2014
26793	\$ 126,900	\$ 140,000	07/17/2014
53777	\$ 133,300	\$ 139,900	07/16/2014
119455	\$ 184,700	\$ 190,000	07/10/2014
128253	\$ 216,900	\$ 229,900	07/09/2014
80274	\$ 221,200	\$ 224,000	07/01/2014
100445	\$ 224,200	\$ 249,000	06/04/2014
116303	\$ 213,600	\$ 209,000	05/30/2014
118973	\$ 186,200	\$ 180,000	05/05/2014
53832	\$ 155,800	\$ 152,900	05/02/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Eaglemont
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	227
Sales Sample Size:	15

Sales Summary

There were a total of 15 valid, arm's length sales considered for statistical analysis. Two bank-owned or short sales and two properties improved after sale were invalidated for the ratio analysis.

General Neighborhood Boundaries

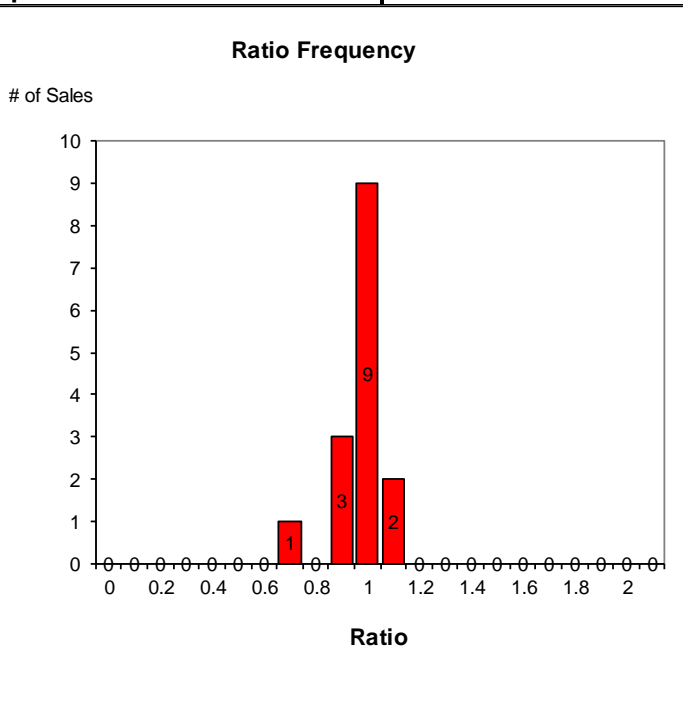
All single-family residential and unimproved platted lots within the Eaglemont Planned Unit Development borders, with the exception of condominiums.

Neighborhood Description

The Eaglemont development is centered around an 18-hole golf course. Construction began around 1990 with average to very good quality, single-family residences, many of which border or view the golf course. Additional views of Mount Baker and the surrounding foothills also exist.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Eaglemont	Appr ID: RH	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	15		
Mean Assessed Value	356,600		
Mean Sales Price	384,300		
Standard Deviation AV	115,684		
Standard Deviation SP	123,666		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.919		
Median Ratio	0.946		
Weighted Mean Ratio	0.928		
UNIFORMITY			
Lowest ratio	0.6704		
Highest ratio	1.0589		
Coefficient of Dispersion	6.56%		
Standard Deviation	0.0938		
Coefficient of Variation	10.21%		
Price-related Differential	0.99		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.873		
Upper limit	0.966		
95% Confidence: Mean			
Lower limit	0.872		
Upper limit	0.967		
SAMPLE SIZE EVALUATION			
N (population size)	227		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0938		
Recommended minimum	13		
Actual sample size	15		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	6		
# ratios above mean	9		
Z-score	0.516397779		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(EAGLEMONT)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
122231	\$ 376,200	\$450,000	04/13/2015
123111	\$ 60,000	\$ 89,500	04/10/2015
122230	\$ 410,600	\$430,000	04/10/2015
123103	\$ 390,700	\$405,000	03/27/2015
123107	\$ 407,900	\$430,000	02/24/2015
116362	\$ 274,600	\$339,000	12/26/2014
104304	\$ 296,100	\$290,000	12/15/2014
120281	\$ 285,900	\$270,000	11/25/2014
120296	\$ 611,500	\$672,000	11/13/2014
104335	\$ 423,300	\$435,000	11/04/2014
104293	\$ 364,200	\$417,000	10/20/2014
118807	\$ 417,400	\$432,000	09/24/2014
123109	\$ 390,000	\$425,000	08/13/2014
117428	\$ 321,800	\$340,000	07/17/2014
104317	\$ 319,100	\$340,000	05/15/2014

NEIGHBORHOOD SUMMARY

Neighborhood: Highlands

Previous Physical Inspection: 2009

Neighborhood Parcel Count: 1,007

Sales Sample Size: 57

Sales Summary

There were a total of 57 valid, arm's length sales considered for statistical analysis. Almost twice as many sales occurred but were invalidated from the ratio analysis for various reasons. The reasons for invalidation include three foreclosure sales, three tax-exempt sales, two partial interests, a leasehold property, and four bank-owned sales. Many more sales were disregarded because the properties were vacant before the sale but improved afterwards, thus making the "before" and "after" ratios incomparable.

General Neighborhood Boundaries

North – State Route 538 and the Thunderbird sub-division

West – Thunderbird, Parkwood Estates, Park Crest, and Montreaux sub-divisions

East – Mount Vernon city limits

South – Eaglemont Planned Unit Development

Neighborhood Description

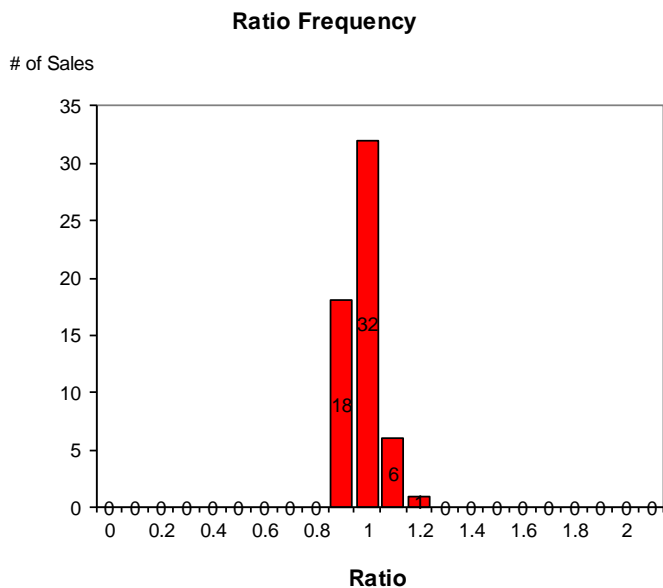
The Highlands neighborhood consists of two planned unit developments, Skagit Highlands and Cedar Heights.

The Skagit Highlands development includes approximately 765 residential lots, with less than 5 percent of the lots unimproved at the time of inspection. Lot sizes average .14 acre. Construction of residences began in 2006. Improvements include fair-to-average, single and two-story homes. Each division has between three and six home styles, ranging from 1,400 to 2,700 square feet of living area. The development includes a large, open green space, extensive landscaped buffers and seven playgrounds. Several lots along the northern perimeter of its Division #5 provide good views of Mount Baker. The development can be accessed from the south via East Division Street and from the north via East College Way. There is a Haggen's supermarket located less than one mile away and the hospital and downtown area are only a five to ten minutes' drive.

The Cedar Heights development includes approximately 385 residential lots. Construction began in 2006, and was completed in 2011. Lot sizes range from .14 to .18 acre. There are three phases in the development with four to six, average quality floorplans in each phase. The development is accessed from the north via East Division Street. The terrain slopes gently to the north. Shopping and downtown Mount Vernon are a few minutes' drive away. There are several landscaped parks and one playground in the development.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Highlands	Appr ID: TL	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	57		
Mean Assessed Value	216,300		
Mean Sales Price	233,000		
Standard Deviation AV	30,938		
Standard Deviation SP	33,517		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.931		
Median Ratio	0.924		
Weighted Mean Ratio	0.928		
UNIFORMITY			
Lowest ratio	0.8118		
Highest ratio	1.1171		
Coefficient of Dispersion	5.53%		
Standard Deviation	0.0668		
Coefficient of Variation	7.17%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.907		
Upper limit	0.947		
95% Confidence: Mean			
Lower limit	0.914		
Upper limit	0.949		
SAMPLE SIZE EVALUATION			
N (population size)	1007		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0668		
Recommended minimum	7		
Actual sample size	57		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	33		
# ratios above mean	24		
Z-score	1.059625886		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(HIGHLANDS)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
125069	\$ 211,500	\$ 259,000	04/29/2015
123151	\$ 238,800	\$ 244,900	04/25/2015
127141	\$ 257,800	\$ 295,000	04/21/2015
123161	\$ 175,600	\$ 210,000	04/21/2015
124588	\$ 249,700	\$ 274,500	04/09/2015
123158	\$ 224,300	\$ 239,000	03/26/2015
126270	\$ 171,200	\$ 195,000	03/13/2015
127242	\$ 220,800	\$ 234,900	03/09/2015
124947	\$ 197,900	\$ 222,500	03/05/2015
127319	\$ 247,400	\$ 259,000	03/04/2015
127319	\$ 247,400	\$ 261,000	03/02/2015
126217	\$ 170,400	\$ 209,900	02/26/2015
125709	\$ 212,000	\$ 215,000	02/12/2015
127293	\$ 241,300	\$ 246,000	01/23/2015
125468	\$ 166,700	\$ 189,900	12/16/2014
127138	\$ 234,900	\$ 230,000	12/11/2014
125436	\$ 233,100	\$ 259,500	11/18/2014
125563	\$ 191,600	\$ 224,000	11/14/2014
126272	\$ 171,200	\$ 186,000	11/11/2014
125097	\$ 211,800	\$ 250,000	10/23/2014
124543	\$ 245,500	\$ 267,000	10/15/2014
127172	\$ 296,300	\$ 285,000	10/10/2014
124541	\$ 222,800	\$ 256,000	10/10/2014
124948	\$ 215,300	\$ 225,000	10/02/2014
125072	\$ 219,400	\$ 241,000	09/23/2014
125373	\$ 239,200	\$ 270,000	09/22/2014
127210	\$ 239,500	\$ 257,900	09/22/2014
127209	\$ 250,100	\$ 268,900	09/18/2014
127205	\$ 213,800	\$ 242,400	08/26/2014

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
124555	\$ 184,100	\$ 164,800	08/21/2014
127294	\$ 222,300	\$ 239,000	08/19/2014
124248	\$ 246,300	\$ 259,950	08/07/2014
127278	\$ 235,700	\$ 253,000	08/05/2014
127203	\$ 223,800	\$ 272,900	08/05/2014
124247	\$ 237,300	\$ 257,475	08/04/2014
124246	\$ 247,700	\$ 252,950	07/18/2014
127122	\$ 209,200	\$ 229,900	07/15/2014
125739	\$ 167,400	\$ 192,000	07/10/2014
127303	\$ 208,900	\$ 199,000	07/03/2014
125724	\$ 234,200	\$ 235,000	07/01/2014
127208	\$ 222,400	\$ 244,900	06/27/2014
127216	\$ 197,700	\$ 200,000	06/26/2014
127204	\$ 220,500	\$ 243,120	06/24/2014
127111	\$ 203,900	\$ 193,200	06/20/2014
125402	\$ 170,900	\$ 197,000	06/18/2014
125529	\$ 205,300	\$ 210,000	06/16/2014
127214	\$ 248,100	\$ 254,900	06/06/2014
125437	\$ 173,500	\$ 200,000	06/03/2014
125710	\$ 208,000	\$ 225,000	05/27/2014
125496	\$ 188,800	\$ 196,500	05/22/2014
127272	\$ 210,000	\$ 226,015	05/20/2014
124554	\$ 157,400	\$ 145,000	05/08/2014
125390	\$ 193,700	\$ 226,500	05/08/2014
127206	\$ 265,400	\$ 292,955	05/07/2014
125449	\$ 172,900	\$ 165,000	05/06/2014
124969	\$ 179,200	\$ 198,900	05/06/2014
127202	\$ 274,800	\$ 285,030	05/01/2014

NEIGHBORHOOD SUMMARY

Neighborhood: Hillcrest

Previous Physical Inspection: 2009

Neighborhood Parcel Count: 1,017

Sales Sample Size: 48

Sales Summary

There were a total of 48 valid, arm's length sales considered for statistical analysis. 14 more sales occurred but were invalidated from the ratio analysis for various reasons. These reasons for invalidation include family sales, tax-exempt transactions, and partial interests. Four sales were disregarded because the properties had been vacant before the sale but improved afterwards, thus making the "before" and "after" ratios incomparable. Lastly, there occurred five bank-owned sales (less than one-half of one percent of the neighborhood parcel count) that were also invalidated, indicating a sharp decline from recent years in the amount of foreclosure and distressed property activity.

General Neighborhood Boundaries

North – East Kincaid/East Broadway Streets

West – Interstate 5/Blodgett Road

East – South LaVenture Road

South – Southern city limit boundary near Anderson Road

Neighborhood Description

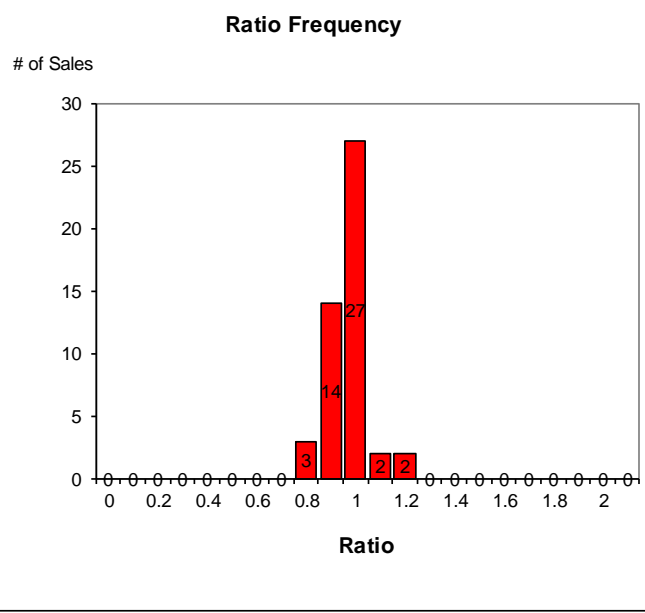
The Hillcrest neighborhood is a developed area with homes built in the early 1900's to present. One will find a variety of home styles such as bungalow, Cape Cod, craftsman, ranch/rambler, single-story and two-story residences.

Plats such as Broadway to Mount Vernon, Greenstreet's & Legro's 1st Addition to Mount Vernon, and Wedgwood Addition to Mount Vernon primarily contain rambler style homes that were built in the 1950's to the early 1970's. These homes are located in areas such as Quentin Avenue, East Kincaid Street, and Shirley Place. In the 1990's, development occurred southward with one and two-story homes being built in the Viewcrest and Hillcrest Estate platted additions. The Hillcrest Park area contains beautiful estate-type properties with sprawling drives in the midst of park-like wooded grounds and well-groomed yards.

Property owners in the Hillcrest area have easy access to local shopping, schools, library, hospital, medical clinics, and Hillcrest Park. The location is also convenient for traveling to neighboring cities such as Burlington and Bellingham where one may find larger shopping malls, theatres, big-box retailers, etc.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Hillcrest	Appr ID: LAW, SP, DH-TY	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	48		
Mean Assessed Value	193,000		
Mean Sales Price	210,200		
Standard Deviation AV	54,029		
Standard Deviation SP	55,476		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.919		
Median Ratio	0.932		
Weighted Mean Ratio	0.918		
UNIFORMITY			
Lowest ratio	0.7371		
Highest ratio	1.1752		
Coefficient of Dispersion	6.57%		
Standard Deviation	0.0828		
Coefficient of Variation	9.00%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.893		
Upper limit	0.950		
95% Confidence: Mean			
Lower limit	0.896		
Upper limit	0.943		
SAMPLE SIZE EVALUATION			
N (population size)	1017		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0828		
Recommended minimum	11		
Actual sample size	48		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	21		
# ratios above mean	27		
Z-score	0.721687836		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(HILLCREST)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
54797	\$ 141,200	\$ 175,000	04/29/2015
124640	\$ 214,800	\$ 230,000	04/27/2015
79635	\$ 203,000	\$ 249,500	04/23/2015
117390	\$ 239,900	\$ 285,000	04/20/2015
54766	\$ 154,300	\$ 170,000	04/03/2015
119849	\$ 252,100	\$ 284,000	03/26/2015
28601	\$ 367,300	\$ 329,000	03/10/2015
53178	\$ 117,600	\$ 127,500	03/03/2015
52402	\$ 189,200	\$ 220,000	02/20/2015
119843	\$ 257,800	\$ 284,950	02/19/2015
119855	\$ 216,200	\$ 218,000	02/18/2015
52964	\$ 190,000	\$ 200,000	02/02/2015
54729	\$ 178,600	\$ 199,950	12/26/2014
54772	\$ 187,700	\$ 219,999	12/22/2014
28418	\$ 140,400	\$ 175,000	12/09/2014
79626	\$ 212,500	\$ 228,400	12/09/2014
111960	\$ 283,500	\$ 302,500	11/18/2014
28070	\$ 202,300	\$ 239,500	10/28/2014
52972	\$ 154,800	\$ 160,000	10/15/2014
131450	\$ 37,200	\$ 44,000	10/01/2014
113185	\$ 318,200	\$ 349,000	09/22/2014
54794	\$ 182,800	\$ 205,000	09/11/2014
131455	\$ 240,600	\$ 245,000	09/10/2014
54771	\$ 141,700	\$ 174,900	08/26/2014

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
28561	\$ 219,800	\$ 224,996	08/18/2014
119821	\$ 227,600	\$ 239,900	08/18/2014
52980	\$ 170,300	\$ 219,000	08/15/2014
54770	\$ 132,800	\$ 147,000	08/11/2014
54768	\$ 146,600	\$ 155,000	08/07/2014
124642	\$ 204,700	\$ 219,000	07/25/2014
28282	\$ 200,500	\$ 195,000	07/23/2014
28503	\$ 145,400	\$ 155,000	07/21/2014
53155	\$ 161,900	\$ 167,000	07/17/2014
52994	\$ 185,400	\$ 219,000	07/16/2014
28427	\$ 181,400	\$ 230,000	07/08/2014
54742	\$ 146,900	\$ 125,000	07/07/2014
54050	\$ 174,700	\$ 237,000	07/03/2014
28097	\$ 157,600	\$ 165,000	07/01/2014
131458	\$ 227,400	\$ 242,744	06/24/2014
131454	\$ 222,800	\$ 229,950	06/17/2014
54790	\$ 175,700	\$ 182,000	06/13/2014
52914	\$ 190,200	\$ 215,000	06/10/2014
130003	\$ 250,900	\$ 260,000	05/30/2014
52908	\$ 168,200	\$ 163,000	05/28/2014
28590	\$ 168,700	\$ 169,000	05/28/2014
54718	\$ 134,200	\$ 139,950	05/21/2014
131452	\$ 227,200	\$ 236,950	05/21/2014
131446	\$ 220,400	\$ 236,950	05/12/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Hilltop
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	514
Sales Sample Size:	26

Sales Summary

There were a total of 26 valid, arm's length sales considered for statistical analysis. Four other sales were invalidated for various reasons, only two of which were foreclosures or short sales.

General Neighborhood Boundaries

- North – Hilltop Haven northerly boundary/Thunderbird subdivision southerly boundary.
- West – Easterly boundaries of the Thunderbird, Newman Acreage, Digby Heights, Candle Ridge, and Forest Estates subdivisions.
- East – Skagit Highlands and Cedar Heights subdivisions.
- South – Eaglemont Planned Unit Development

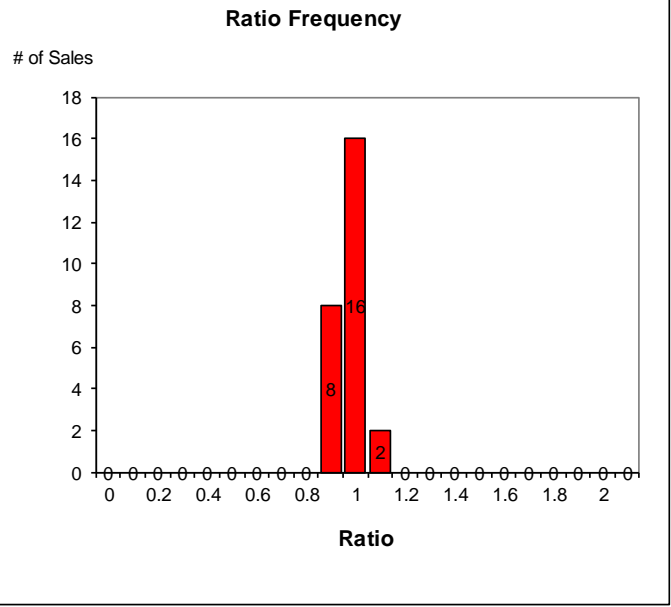
Neighborhood Description

The Hilltop neighborhood is an almost fully built up, exclusively single-family residential neighborhood in the easterly and central (north to south) portion of Mount Vernon. As the Hilltop name suggests, the eastern edge of the city rises in elevation. As a result, some properties have territorial views to the west and north and a few even capture Mount Baker to the northwest. Lots are larger than average in size. Development is relatively recent, with the oldest plats dating back to the mid 1980's, and a steady flow of development activity occurring to the present time. As a result of the neighborhood's favorable physical attributes, this is a desirable Mount Vernon neighborhood with the lower end of the value spectrum starting in the upper \$200,000's. The majority of the subdivision's values range between \$300,000 and \$400,000. One of Mount Vernon's highest-priced plats is Parkwood Estates which is located in the northeasterly section of the neighborhood. It has large one-half to one-acre lots which are improved with large, high-quality homes, escalating even higher in value from \$400,000 to \$700,000. The extreme southerly portion of the Hilltop neighborhood contains the subdivision of Montreaux, a 55+ single-family housing community which includes all grounds care to its residents. Montreaux was first developed in 2008 and recently finished building out and selling the last of 78 homesites. Landed Gentry was the developer of this popular community type, and it joins their nearby developments of Big Fir South (existing) and Twin Brooks (currently being built and sold) which cater to the same demographic. Prices in these developments start around \$300,000 for existing property re-sales and run up to \$500,000 for brand new construction.

The City of Mount Vernon supports the neighborhood with all governmental infrastructure and services, and the Mount Vernon School District serves the school-aged population. Commercial goods and services, in addition to the hospital and its supporting medical community, are conveniently located nearby to the west, and accessed via the east-west running arterials of Fir, Division, and Section streets.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Hilltop	Appr ID: BH	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	26		
Mean Assessed Value	298,000		
Mean Sales Price	321,700		
Standard Deviation AV	53,677		
Standard Deviation SP	54,805		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.928		
Median Ratio	0.935		
Weighted Mean Ratio	0.926		
UNIFORMITY			
Lowest ratio	0.8122		
Highest ratio	1.0635		
Coefficient of Dispersion	5.25%		
Standard Deviation	0.0616		
Coefficient of Variation	6.64%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.890		
Upper limit	0.973		
95% Confidence: Mean			
Lower limit	0.904		
Upper limit	0.951		
SAMPLE SIZE EVALUATION			
N (population size)	514		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0616		
Recommended minimum	6		
Actual sample size	26		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	11		
# ratios above mean	15		
Z-score	0.588348405		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(HILLTOP)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
83157	\$ 447,600	\$ 455,000	03/24/2015
83967	\$ 380,600	\$ 391,020	03/23/2015
104185	\$ 302,300	\$ 362,500	01/26/2015
104219	\$ 366,400	\$ 344,538	01/23/2015
81293	\$ 285,900	\$ 342,500	01/09/2015
81333	\$ 257,900	\$ 264,900	12/18/2014
104193	\$ 274,500	\$ 320,000	11/19/2014
104202	\$ 293,300	\$ 314,000	11/17/2014
126414	\$ 298,100	\$ 349,900	10/15/2014
95761	\$ 370,500	\$ 396,000	10/07/2014
81331	\$ 224,600	\$ 245,000	09/26/2014
104186	\$ 251,700	\$ 309,900	09/24/2014
83932	\$ 333,300	\$ 370,000	09/15/2014
126432	\$ 233,000	\$ 244,000	09/08/2014
104209	\$ 334,100	\$ 367,500	09/08/2014
105895	\$ 291,300	\$ 308,000	09/04/2014
126421	\$ 333,300	\$ 339,900	08/20/2014
126408	\$ 316,600	\$ 356,500	08/18/2014
100760	\$ 274,300	\$ 269,950	07/29/2014
100772	\$ 246,000	\$ 276,500	07/24/2014
81281	\$ 234,600	\$ 240,000	07/13/2014
126412	\$ 291,400	\$ 337,900	07/07/2014
83619	\$ 240,500	\$ 255,000	06/27/2014
126418	\$ 333,300	\$ 346,900	06/25/2014
105889	\$ 247,100	\$ 250,000	05/23/2014
126420	\$ 286,500	\$ 307,900	05/01/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	North Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	1,344
Sales Sample Size:	55

Sales Summary

There were a total of 55 valid, arm's length sales considered for statistical analysis. There were 18 more sales which occurred but were invalidated from the ratio analysis for various reasons. Two tax-exempt transactions were invalidated and seven sales were disregarded because the properties had been vacant before the sale but improved afterwards, thus making the "before" and "after" ratios incomparable. Lastly, there were two foreclosure sales and seven bank-owned or short sales that were also invalidated. This represents only .6% of the neighborhood parcel count and indicates a significant decline from recent years in the amount of foreclosure and distressed property activity.

General Neighborhood Boundaries

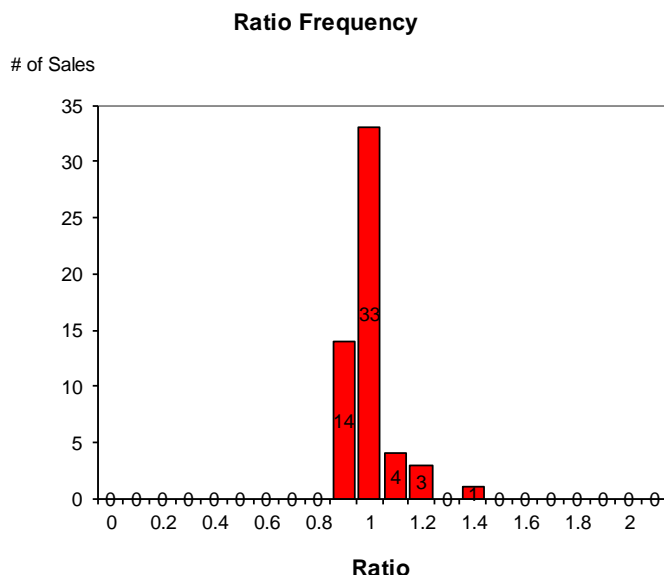
North – Skagit River and city limits
West – Interstate 5
East – Barney Lake and city limits
South – College Way

Neighborhood Description

The residential north neighborhood is located on the north end of town where there is a blend of residential and commercial properties. This area is also home to Skagit Valley College. It contains many older subdivisions created in the late 1980's, several mobile home parks, and a couple new plats which are currently being developed. The market seems to be increasing in most sectors as the economy continues to rebound from the recession. The development of these new plats and the sales in the area indicate that the values in the area are increasing.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: North MV	Appr ID: JP-CZ	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	55		
Mean Assessed Value	214,300		
Mean Sales Price	226,100		
Standard Deviation AV	60,492		
Standard Deviation SP	63,748		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.951		
Median Ratio	0.937		
Weighted Mean Ratio	0.948		
UNIFORMITY			
Lowest ratio	0.8344		
Highest ratio	1.3529		
Coefficient of Dispersion	6.27%		
Standard Deviation	0.0894		
Coefficient of Variation	9.40%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.917		
Upper limit	0.962		
95% Confidence: Mean			
Lower limit	0.928		
Upper limit	0.975		
SAMPLE SIZE EVALUATION			
N (population size)	1344		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0894		
Recommended minimum	13		
Actual sample size	55		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	31		
# ratios above mean	24		
Z-score	0.809039835		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(NORTH MOUNT VERNON)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
83100	\$ 276,900	\$ 285,500	04/29/2015
80227	\$ 208,600	\$ 239,000	04/23/2015
52526	\$ 380,800	\$ 412,000	04/16/2015
100820	\$ 226,100	\$ 259,900	04/14/2015
81002	\$ 137,900	\$ 149,500	04/14/2015
106476	\$ 160,600	\$ 170,000	04/08/2015
100815	\$ 216,100	\$ 259,000	04/01/2015
123502	\$ 210,600	\$ 243,000	03/20/2015
53307	\$ 199,900	\$ 220,000	03/19/2015
107689	\$ 180,200	\$ 163,100	03/05/2015
52510	\$ 225,300	\$ 249,950	02/25/2015
83294	\$ 148,600	\$ 175,000	02/24/2015
78748	\$ 171,500	\$ 150,000	02/05/2015
80618	\$ 209,700	\$ 155,000	12/29/2014
122806	\$ 295,000	\$ 250,000	12/26/2014
80629	\$ 246,900	\$ 265,000	12/19/2014
53303	\$ 200,500	\$ 221,400	12/04/2014
121104	\$ 174,500	\$ 167,500	11/21/2014
106497	\$ 146,800	\$ 160,000	11/20/2014
131022	\$ 319,700	\$ 320,000	11/15/2014
25777	\$ 254,400	\$ 289,500	11/14/2014
113625	\$ 154,800	\$ 173,000	11/13/2014
131038	\$ 302,400	\$ 305,000	11/10/2014
80975	\$ 137,900	\$ 159,900	11/06/2014
78780	\$ 198,000	\$ 205,000	11/05/2014
123490	\$ 231,400	\$ 247,500	10/23/2014
131037	\$ 293,300	\$ 309,950	10/02/2014
106535	\$ 151,000	\$ 155,000	09/26/2014

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
107412	\$ 187,900	\$ 225,000	09/26/2014
122421	\$ 201,400	\$ 215,000	09/22/2014
131023	\$ 291,500	\$ 304,950	09/17/2014
80784	\$ 151,800	\$ 162,000	09/16/2014
24380	\$ 328,000	\$ 350,000	09/15/2014
131025	\$ 322,200	\$ 319,950	09/05/2014
80985	\$ 199,800	\$ 205,000	09/01/2014
53277	\$ 189,100	\$ 190,000	08/25/2014
80206	\$ 205,000	\$ 208,000	08/22/2014
80208	\$ 190,000	\$ 222,000	08/22/2014
80583	\$ 245,200	\$ 255,000	08/14/2014
122869	\$ 160,100	\$ 167,000	08/13/2014
99557	\$ 243,500	\$ 245,000	08/01/2014
113644	\$ 119,500	\$ 124,200	07/30/2014
117611	\$ 110,800	\$ 130,000	07/21/2014
107407	\$ 186,800	\$ 210,000	07/18/2014
80609	\$ 276,700	\$ 263,900	07/08/2014
106520	\$ 205,400	\$ 213,900	06/27/2014
81012	\$ 146,700	\$ 157,500	06/20/2014
83198	\$ 151,800	\$ 173,000	06/19/2014
104708	\$ 188,100	\$ 191,400	06/10/2014
123466	\$ 234,700	\$ 256,000	05/21/2014
131017	\$ 289,300	\$ 324,950	05/15/2014
82058	\$ 165,300	\$ 165,000	05/12/2014
123491	\$ 224,300	\$ 247,950	05/08/2014
131013	\$ 317,500	\$ 349,950	05/02/2014
80262	\$ 192,500	\$ 200,000	05/01/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Riverside
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	712
Sales Sample Size:	34

Sales Summary

There were a total of 34 valid, arm's length sales considered for statistical analysis. Two sales were invalidated as tax-exempt and improved after sale, and four sales were bank-owned transactions, indicating distressed property activity has declined to a minimal level (.6% of the neighborhood parcel count).

General Neighborhood Boundaries

North – College Way

West – Interstate 5

East – South 13th and North 9th Streets

South – Broad Street

Neighborhood Description

The northwest portion of the Riverside neighborhood includes the Plat of Willow. This plat has approximately 30 residential units, consisting of smaller, one to one and one-half story homes which were mostly built between 1930 to 1950 and updated in the last 30 years. Essentially it is surrounded by commercial and industrial properties, with the Burlington Northern Railroad running diagonally from the southwest to the northeast at the eastern end. It is a noisy neighborhood due to vehicular and train traffic, but still attracts buyers looking for affordable housing.

Further south between Fir and Division Streets is another area mixed with commercial and residential buildings dating back to 1890. A mix of styles exists from one-story homes with basements or post foundations to two to three-story homes, some of which have been converted into multi-family units. The qualities and conditions of the homes in plats such as Vernon Heights, Hayton's, and Eastern are mixed. Some homes have more recent updating with a higher degree of maintenance apparent.

South of Fulton Street and east of Interstate 5, the plats of Gates Second Addition and Vernon Heights ascend in elevation and some homes have Skagit River and valley views to the west. These views may come at the cost of traffic noise from Interstate 5 below. Most of the homes on the hill are of multiple stories with basements which were built in 1900 to 1960 with lot sizes generally in the 8,000 to 12,000 square foot range.

Easterly to the top of the hill to about 6th Street the homes trend more to one-story ranch styles with basements. Many of these have a right-angle addition and updating as well.

This neighborhood has easy access to local shopping, schools, library, hospital, medical clinics and city parks. Also, the location is convenient for traveling to close neighboring cities such as Burlington and Bellingham where one may find theaters and a larger assortment of shopping malls and big box retail stores.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015														
Neighborhood: Riverside	Appr ID: SP	Prop Type: Improved/Vacant Residential	Trend used?: No														
SAMPLE STATISTICS		<div style="text-align: center;"> <p>Ratio Frequency</p> <table border="1" style="display: none;"> <caption>Ratio Frequency Data</caption> <thead> <tr> <th>Ratio Bin</th> <th># of Sales</th> </tr> </thead> <tbody> <tr><td>0.6 - 0.7</td><td>1</td></tr> <tr><td>0.7 - 0.8</td><td>4</td></tr> <tr><td>0.8 - 0.9</td><td>8</td></tr> <tr><td>0.9 - 1.0</td><td>12</td></tr> <tr><td>1.0 - 1.1</td><td>6</td></tr> <tr><td>1.1 - 1.2</td><td>3</td></tr> </tbody> </table> </div>		Ratio Bin	# of Sales	0.6 - 0.7	1	0.7 - 0.8	4	0.8 - 0.9	8	0.9 - 1.0	12	1.0 - 1.1	6	1.1 - 1.2	3
Ratio Bin	# of Sales																
0.6 - 0.7	1																
0.7 - 0.8	4																
0.8 - 0.9	8																
0.9 - 1.0	12																
1.0 - 1.1	6																
1.1 - 1.2	3																
Sample Size (n)	34																
Mean Assessed Value	173,300																
Mean Sales Price	189,500																
Standard Deviation AV	62,337																
Standard Deviation SP	71,181																
ASSESSMENT LEVEL																	
Arithmetic Mean Ratio	0.928																
Median Ratio	0.944																
Weighted Mean Ratio	0.915																
UNIFORMITY																	
Lowest ratio	0.5749																
Highest ratio	1.1263																
Coefficient of Dispersion	9.09%																
Standard Deviation	0.1170																
Coefficient of Variation	12.61%																
Price-related Differential	1.01																
RELIABILITY																	
95% Confidence: Median																	
Lower limit	0.887																
Upper limit	0.966																
95% Confidence: Mean																	
Lower limit	0.888																
Upper limit	0.967																
SAMPLE SIZE EVALUATION																	
N (population size)	712																
B (acceptable error - in decimal)	0.05																
S (estimated from this sample)	0.1170																
Recommended minimum	21																
Actual sample size	34																
Conclusion	OK																
NORMALITY																	
Binomial Test																	
# ratios below mean	14																
# ratios above mean	20																
Z-score	0.857492926																
Conclusion	Normal*																
*i.e., no evidence of non-normality																	

These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(RIVERSIDE)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
25582	\$ 128,100	\$ 125,000	04/27/2015
54651	\$ 105,500	\$ 183,500	04/14/2015
26157	\$ 98,400	\$ 109,900	04/08/2015
54396	\$ 210,400	\$ 284,000	04/03/2015
53517/53519	\$ 194,500	\$ 175,000	03/17/2015
53656	\$ 146,200	\$ 152,000	03/11/2015
53101	\$ 237,400	\$ 269,000	02/26/2015
113430	\$ 237,500	\$ 246,100	02/06/2015
52717	\$ 200,600	\$ 230,758	01/21/2015
52702	\$ 138,300	\$ 170,000	12/09/2014
26593	\$ 214,700	\$ 250,000	12/08/2014
26933/26934	\$ 359,200	\$ 405,000	12/05/2014
52764	\$ 201,500	\$ 227,000	11/25/2014
54397	\$ 162,500	\$ 165,000	11/13/2014
52559	\$ 136,000	\$ 142,900	11/10/2014
54656	\$ 118,500	\$ 123,000	11/04/2014
26211	\$ 96,600	\$ 100,000	10/24/2014
53092/26714	\$ 135,700	\$ 149,500	09/29/2014
53131	\$ 201,200	\$ 195,000	09/24/2014
52772	\$ 192,600	\$ 203,750	09/02/2014
53543	\$ 228,500	\$ 304,000	08/25/2014
52582	\$ 184,600	\$ 248,800	08/21/2014
52692	\$ 256,600	\$ 233,000	08/12/2014
26591	\$ 148,400	\$ 147,500	07/01/2014
53513	\$ 270,300	\$ 240,000	06/27/2014
53675	\$ 113,700	\$ 121,000	06/25/2014
53566	\$ 104,900	\$ 100,000	06/24/2014
52721	\$ 162,100	\$ 172,000	06/13/2014
54655	\$ 149,100	\$ 145,000	06/09/2014
54021	\$ 207,100	\$ 198,000	06/09/2014
54019	\$ 112,500	\$ 127,000	06/06/2014
54571	\$ 219,800	\$ 235,000	06/02/2014
26720	\$ 175,100	\$ 220,000	05/13/2014
127042	\$ 42,500	\$ 44,000	05/02/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Rural Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	1,314
Sales Sample Size:	28

Sales Summary

There were a total of 28 valid, arm's length sales considered for statistical analysis. There were nine more sales which occurred but were invalidated from the ratio analysis for various reasons. These reasons for invalidation include six properties which participate in the open space tax program which is considered to affect market value, and three others that were bank-owned sales. These bank-owned sales represent a very small amount relative to recent history and to the size of the neighborhood.

General Neighborhood Boundaries

Rural Westside

North – Ovenell Road

West – Best Road

East – Skagit River

South – South End of Beaver Marsh Road

Rural NE

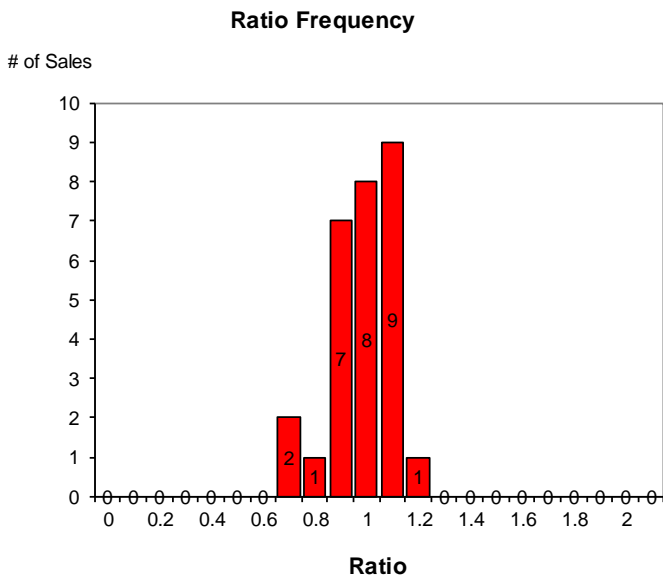
This small portion is wedged between Mount Vernon city limits to the southwest and Nookachamps Creek to the northeast.

Neighborhood Description

The Rural neighborhood is true to its name, capturing the non-urban areas within the Mount Vernon School District. This includes a small portion extending beyond the city's northeast corner, but mainly describes westside Mount Vernon which is a mixture of suburban, rural and agricultural parcels situated within the Skagit River delta. The homes typically range from fair to good quality, with a variety of agricultural farm buildings, warehouses, packing plants, and dairy farms scattered throughout. The agricultural crops consist mainly of potatoes, corn silage, cauliflower, berry crops and flower bulbs. Development is limited due to the Natural Resource Land designation, and the Comprehensive Development Plan restrictions.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Rural MV	Appr ID: TY, SP	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	28		
Mean Assessed Value	258,700		
Mean Sales Price	280,200		
Standard Deviation AV	130,656		
Standard Deviation SP	146,445		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.936		
Median Ratio	0.979		
Weighted Mean Ratio	0.923		
UNIFORMITY			
Lowest ratio	0.6761		
Highest ratio	1.1200		
Coefficient of Dispersion	8.81%		
Standard Deviation	0.1099		
Coefficient of Variation	11.75%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.891		
Upper limit	1.007		
95% Confidence: Mean			
Lower limit	0.895		
Upper limit	0.976		
SAMPLE SIZE EVALUATION			
N (population size)	1314		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1099		
Recommended minimum	19		
Actual sample size	28		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	12		
# ratios above mean	16		
Z-score	0.56694671		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(RURAL MOUNT VERNON)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
22764	\$ 307,600	\$ 377,000	04/25/2015
22407/70308	\$ 168,400	\$ 189,000	03/20/2015
22420	\$ 227,500	\$ 336,500	01/16/2015
21802	\$ 147,100	\$ 143,000	01/15/2015
22435/22437	\$ 417,800	\$ 415,000	12/24/2014
28786	\$ 116,400	\$ 168,500	12/03/2014
70479	\$ 160,500	\$ 152,120	11/21/2014
22368/22392	\$ 369,200	\$ 439,000	11/18/2014
21927	\$ 238,800	\$ 245,000	11/17/2014
21433/21487	\$ 202,600	\$ 206,000	09/17/2014
22265	\$ 213,100	\$ 234,000	08/22/2014
64489	\$ 171,400	\$ 167,500	08/21/2014
22586	\$ 264,800	\$ 266,000	08/14/2014
64498	\$ 234,800	\$ 226,000	07/29/2014
21718	\$ 246,400	\$ 220,000	07/28/2014
21300	\$ 326,000	\$ 325,000	07/24/2014
22262	\$ 619,900	\$ 599,000	07/16/2014
65590	\$ 249,900	\$ 250,000	07/07/2014
26309/26310	\$ 540,700	\$ 655,000	07/02/2014
21982	\$ 537,800	\$ 629,000	06/27/2014
22339	\$ 232,700	\$ 250,000	06/11/2014
67464	\$ 161,500	\$ 160,000	06/06/2014
24400	\$ 279,200	\$ 275,000	06/04/2014
21836	\$ 125,500	\$ 140,000	05/30/2014
29303	\$ 186,700	\$ 226,000	05/21/2014
26333	\$ 117,000	\$ 122,000	05/20/2014
29266	\$ 198,200	\$ 200,000	05/15/2014
22614	\$ 182,400	\$ 229,000	05/01/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	South Central Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	1,114
Sales Sample Size:	83

Sales Summary

There were a total of 83 valid, arm's length sales considered for statistical analysis. Many more sales occurred but were invalidated from the ratio analysis for various reasons; one was an estate closure, one was a tax-exempt transaction, and 23 were disregarded because the properties had been vacant before the sale but improved afterwards, thus making the "before" and "after" ratios incomparable. Lastly, there were three bank-owned or short sales that were also invalidated. This represents less than one-third of one percent of the neighborhood parcel count, and indicates a sharp decline from recent years in the amount of foreclosure and distressed property activity.

General Neighborhood Boundaries

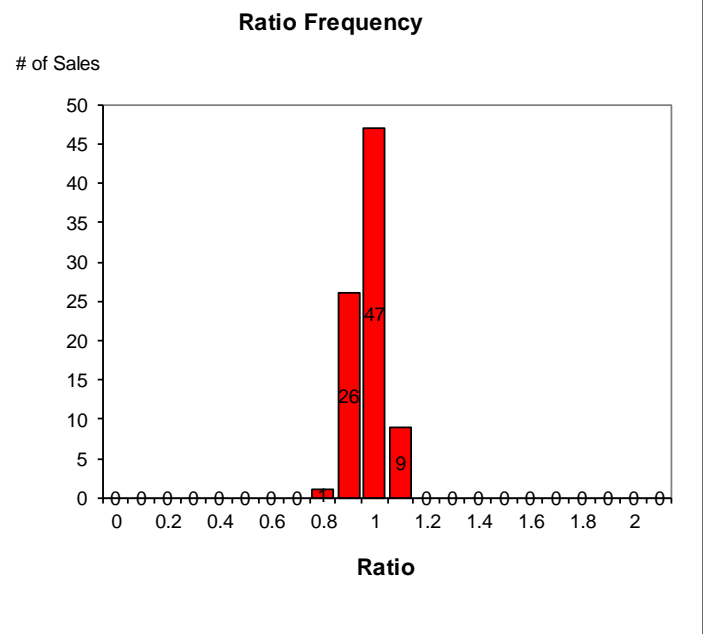
North – East Division Street
West – South Laventure Road
East – Eaglemont sub-division, Hilltop sub-division
South – Mount Vernon city limits

Neighborhood Description

The residential South Central neighborhood is located in the central part of Mount Vernon. This area is dominated by predominately single-family residences with some multi-family scattered within. The area has developments built in the early 1980's and early 1990's, mixed with more recently developed plats. Market values seem to be improving in most sectors, but more so in the newer homes than those built prior to 1990.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: South Central	Appr ID: TY-DH, TL, BH	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	83		
Mean Assessed Value	238,200		
Mean Sales Price	256,500		
Standard Deviation AV	66,110		
Standard Deviation SP	69,339		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.928		
Median Ratio	0.930		
Weighted Mean Ratio	0.929		
UNIFORMITY			
Lowest ratio	0.7581		
Highest ratio	1.0325		
Coefficient of Dispersion	4.75%		
Standard Deviation	0.0559		
Coefficient of Variation	6.02%		
Price-related Differential	1.00		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.923		
Upper limit	0.945		
95% Confidence: Mean			
Lower limit	0.916		
Upper limit	0.940		
SAMPLE SIZE EVALUATION			
N (population size)	1114		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0559		
Recommended minimum	5		
Actual sample size	83		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	38		
# ratios above mean	45		
Z-score	0.65858556		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(SOUTH CENTRAL MOUNT VERNON)**

Parcel #	2015 Assessed Value	Sale Price	Sale Date
124815	\$ 226,900	\$225,000	04/28/2015
116318	\$ 306,600	\$315,000	04/28/2015
109344	\$ 320,400	\$365,000	04/28/2015
106561	\$ 214,300	\$225,000	04/28/2015
27482	\$ 197,900	\$227,000	04/27/2015
130945	\$ 289,500	\$309,900	04/22/2015
119132	\$ 222,200	\$225,000	03/24/2015
109360	\$ 313,400	\$364,500	03/18/2015
124818	\$ 260,800	\$295,000	03/11/2015
109319	\$ 345,900	\$335,000	03/04/2015
28006	\$ 213,600	\$257,500	03/04/2015
96408	\$ 222,300	\$253,000	02/20/2015
130960	\$ 343,800	\$339,900	02/18/2015
100358	\$ 180,500	\$213,000	02/04/2015
83364	\$ 149,400	\$170,000	02/02/2015
128517	\$ 292,000	\$289,990	01/06/2015
80147	\$ 179,600	\$200,000	12/30/2014
130953	\$ 237,600	\$253,900	12/29/2014
106567	\$ 191,700	\$199,950	12/26/2014
81182	\$ 166,100	\$179,000	12/08/2014
80173	\$ 167,300	\$180,000	12/05/2014
128444	\$ 344,200	\$345,000	12/01/2014
128487	\$ 244,000	\$264,990	12/01/2014
126021	\$ 298,800	\$324,950	11/26/2014
100616	\$ 140,200	\$165,000	11/25/2014
130989	\$ 213,500	\$229,990	11/25/2014
83374	\$ 151,500	\$184,900	11/25/2014
130990	\$ 211,500	\$234,000	11/20/2014

Parcel #	2015 Assessed Value	Sale Price	Sale Date
102984	\$ 217,700	\$212,000	11/19/2014
104245/121693	\$ 280,500	\$370,000	11/17/2014
81193	\$ 153,400	\$162,000	11/13/2014
83354	\$ 143,100	\$170,000	11/13/2014
131980	\$ 344,200	\$372,900	11/12/2014
80177	\$ 145,600	\$154,000	11/07/2014
130997	\$ 215,900	\$239,990	11/05/2014
81181	\$ 154,600	\$175,000	10/28/2014
126002	\$ 299,800	\$305,000	10/16/2014
128473	\$ 291,200	\$310,000	10/09/2014
119133	\$ 205,200	\$217,000	09/23/2014
81212	\$ 165,400	\$175,000	09/19/2014
106560	\$ 182,900	\$186,000	09/16/2014
130983	\$ 194,000	\$210,000	09/12/2014
102232	\$ 172,700	\$185,000	09/08/2014
80149	\$ 141,100	\$157,000	09/02/2014
131957	\$ 297,500	\$361,087	08/28/2014
126014	\$ 345,300	\$342,900	08/27/2014
81163	\$ 140,700	\$169,950	08/27/2014
130961	\$ 275,500	\$295,000	08/21/2014
104251	\$ 273,700	\$324,000	08/13/2014
130985	\$ 194,000	\$212,500	08/07/2014
130979	\$ 194,000	\$209,990	07/24/2014
128470	\$ 343,900	\$345,500	07/22/2014
131967	\$ 349,700	\$392,202	07/21/2014
130988	\$ 194,000	\$210,000	07/18/2014
128461	\$ 212,400	\$247,500	07/18/2014
130958	\$ 275,500	\$295,000	07/16/2014

Parcel #	2015 Assessed Value	Sale Price	Sale Date
123923	\$ 209,300	\$212,000	07/14/2014
131970	\$ 312,000	\$324,858	07/14/2014
128462	\$ 240,500	\$269,990	07/08/2014
109308	\$ 313,900	\$325,000	07/02/2014
128490	\$ 249,600	\$272,500	07/02/2014
128469	\$ 248,300	\$276,900	07/01/2014
131959	\$ 388,100	\$448,043	07/01/2014
130982	\$ 198,200	\$210,000	06/26/2014
130995	\$ 241,600	\$259,990	06/20/2014
109315	\$ 369,600	\$380,000	06/19/2014
130951	\$ 289,800	\$295,000	06/18/2014
131974	\$ 335,500	\$334,900	06/17/2014
130987	\$ 194,000	\$204,000	06/11/2014
131958	\$ 315,800	\$318,400	06/11/2014
100354	\$ 182,300	\$190,000	06/09/2014
83577	\$ 226,200	\$238,900	06/09/2014
128443	\$ 295,000	\$304,990	06/03/2014
26995	\$ 197,500	\$195,500	05/29/2014
106546	\$ 187,300	\$195,900	05/23/2014
100395	\$ 151,100	\$163,000	05/20/2014
128467	\$ 212,400	\$242,000	05/20/2014
128515	\$ 214,900	\$244,900	05/20/2014
102986	\$ 170,700	\$175,000	05/19/2014
130940	\$ 343,800	\$350,000	05/19/2014
106557	\$ 201,800	\$217,000	05/19/2014
108555	\$ 191,300	\$188,000	05/12/2014
128516	\$ 244,800	\$276,500	05/02/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Southwest Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	745
Sales Sample Size:	31

Sales Summary

There were a total of 31 valid, arm's length sales considered for statistical analysis. Distressed property sales activity declined significantly as only five bank-owned and short sales were invalidated for analysis purposes (.7% of the neighborhood parcel count). Two other sales were invalidated as tax-exempt transactions and three sales were disregarded as they were improved after the sale which distorts the assessed/sale ratio.

General Neighborhood Boundaries

- North – Interstate 5 and Skagit River
- West – Mount Vernon city limits
- East – Interstate 5 and Mount Vernon city limits
- South – Mount Vernon city limits

Neighborhood Description

This area comprises neighborhoods within the southwest borders of the city limits. It includes the downtown business district, the light industrial properties west of Interstate 5, the commercial and industrial properties on the west side of the Skagit River, and the mature residential neighborhoods to the south. (The commercial and industrial areas are covered in the commercial portion of this report.) The residential areas have easy access to the downtown retail and municipal government district as well as Interstate 5, Old Highway 99 to the south, and State Route 536 to the west. Residential properties are predominantly 900 to 1,300 square foot, fair to average quality, single-family residences dating from the first half of the 20th century. Lot sizes range from .13 to .25 acre. Values generally range from \$100,000 to \$225,000. There are newer residences on the outskirts, including Brittwood which is a 48-lot plat of fair quality, approximately 1,200 square foot homes built in 1992 and 1993.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Southwest MV	Appr ID: TL	Prop Type: Improved/Vacant Residential	Trend used?: No

SAMPLE STATISTICS	
Sample Size (n)	31
Mean Assessed Value	154,900
Mean Sales Price	163,500
Standard Deviation AV	41,306
Standard Deviation SP	49,031

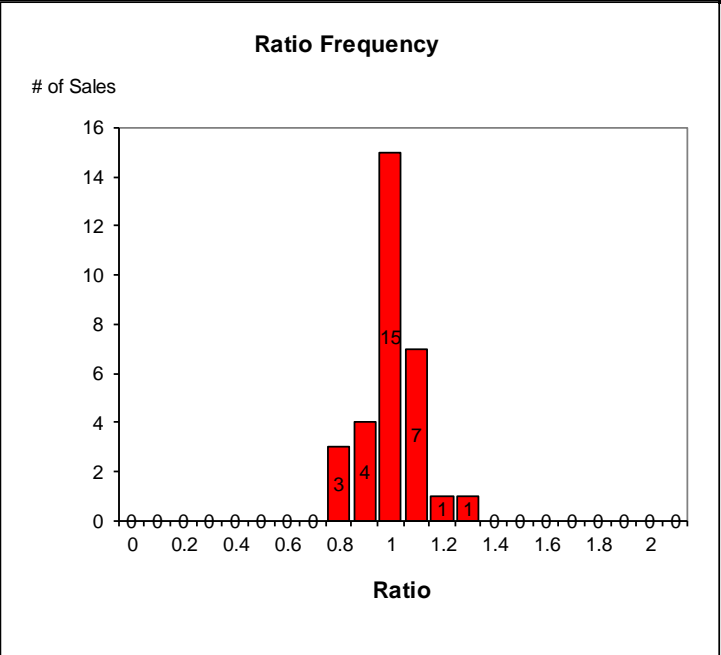
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.961
Median Ratio	0.981
Weighted Mean Ratio	0.947

UNIFORMITY	
Lowest ratio	0.7076
Highest ratio	1.2166
Coefficient of Dispersion	7.19%
Standard Deviation	0.1029
Coefficient of Variation	10.71%
Price-related Differential	1.01

RELIABILITY	
95% Confidence: Median	
Lower limit	0.931
Upper limit	0.997
95% Confidence: Mean	
Lower limit	0.924
Upper limit	0.997

SAMPLE SIZE EVALUATION	
N (population size)	745
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1029
Recommended minimum	17
Actual sample size	31
Conclusion	OK

NORMALITY	
Binomial Test	
# ratios below mean	13
# ratios above mean	18
Z-score	0.718421208
Conclusion	Normal*
*i.e., no evidence of non-normality	



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(SOUTHWEST MOUNT VERNON)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
110824	\$ 172,700	\$ 200,000	04/28/2015
100839	\$ 171,900	\$ 191,075	04/20/2015
104167	\$ 166,600	\$ 175,000	03/27/2015
52457	\$ 114,300	\$ 127,950	03/27/2015
26431	\$ 163,100	\$ 205,000	03/20/2015
117504	\$ 205,600	\$ 169,000	03/11/2015
110831	\$ 175,900	\$ 171,500	02/25/2015
53736	\$ 204,500	\$ 289,000	02/23/2015
29097	\$ 109,200	\$ 108,000	11/04/2014
54335	\$ 168,500	\$ 169,000	10/16/2014
29062	\$ 213,700	\$ 229,500	10/06/2014
28964	\$ 166,800	\$ 155,000	10/03/2014
26414	\$ 108,600	\$ 117,500	10/03/2014
52541/52542	\$ 130,800	\$ 160,878	09/10/2014
28510	\$ 163,900	\$ 150,000	09/03/2014
52378	\$ 170,400	\$ 169,950	08/26/2014
26430	\$ 190,700	\$ 205,700	08/20/2014
28470	\$ 139,000	\$ 140,000	08/13/2014
52247	\$ 142,700	\$ 145,000	08/08/2014
100836	\$ 155,400	\$ 155,000	08/04/2014
53732	\$ 117,100	\$ 105,000	07/24/2014
54820	\$ 62,300	\$ 64,900	07/24/2014
28484	\$ 142,200	\$ 190,000	07/13/2014
52851	\$ 126,200	\$ 128,700	07/07/2014
52794	\$ 98,100	\$ 98,000	07/01/2014
52857	\$ 102,200	\$ 105,000	06/24/2014
52264	\$ 151,200	\$ 152,500	06/24/2014
26433	\$ 152,200	\$ 154,000	05/29/2014
116423	\$ 192,500	\$ 193,500	05/29/2014
29106	\$ 150,700	\$ 158,000	05/22/2014
29123	\$ 274,100	\$ 284,000	05/05/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Suburban Mount Vernon
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	651
Sales Sample Size:	20

Sales Summary

There were a total of 20 valid, arm's length sales considered for statistical analysis. There were many more sales which occurred but were invalidated for numerous reasons. The reasons for invalidation include two estate closures, one tax-exempt transaction, one which was improved after purchase, and four were disqualified as bank-owned sales. Lastly, five sales participate in the open space tax program which is considered to affect market value and were also invalidated.

General Neighborhood Boundaries

North – City limits boundary except select properties north to Blackburn Road and east of Interstate 5
West – Interstate 5
East – School District boundary
South – School District boundary

Neighborhood Description

This neighborhood skirts the foothills east of Interstate 5 to the southern boundary of the city limits. Several subdivisions and small acreage properties are present. Many offer westerly views of the Skagit Valley and beyond to the Olympic Mountains.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Suburban MV	Appr ID: RH,LAW,TY-DH	Prop Type: Improved/Vacant Residential	Trend used?: No

SAMPLE STATISTICS	
Sample Size (n)	20
Mean Assessed Value	261,600
Mean Sales Price	279,400
Standard Deviation AV	97,505
Standard Deviation SP	108,120

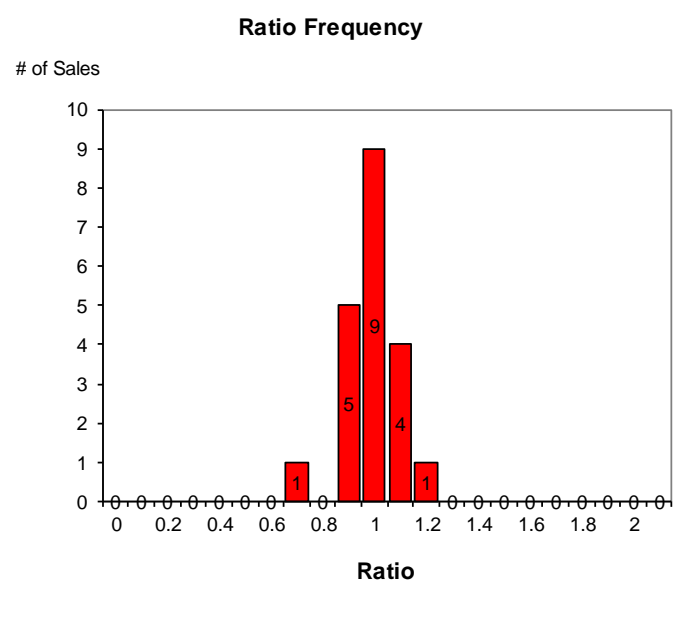
ASSESSMENT LEVEL	
Arithmetic Mean Ratio	0.955
Median Ratio	0.949
Weighted Mean Ratio	0.936

UNIFORMITY	
Lowest ratio	0.6489
Highest ratio	1.2000
Coefficient of Dispersion	8.19%
Standard Deviation	0.1120
Coefficient of Variation	11.72%
Price-related Differential	1.02

RELIABILITY	
95% Confidence: Median	
Lower limit	0.898
Upper limit	1.000
95% Confidence: Mean	
Lower limit	0.906
Upper limit	1.004

SAMPLE SIZE EVALUATION	
N (population size)	651
B (acceptable error - in decimal)	0.05
S (estimated from this sample)	0.1120
Recommended minimum	19
Actual sample size	20
Conclusion	OK

NORMALITY	
Binomial Test	
# ratios below mean	11
# ratios above mean	9
Z-score	0.223606798
Conclusion	Normal*
*i.e., no evidence of non-normality	



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(SUBURBAN MOUNT VERNON)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
29423/29628	\$ 253,200	\$ 275,000	04/23/2015
64328	\$ 173,000	\$ 165,249	04/08/2015
61881	\$ 234,200	\$ 214,000	04/02/2015
116862	\$ 262,300	\$ 295,000	03/30/2015
69766	\$ 313,100	\$ 367,000	03/11/2015
24436	\$ 208,400	\$ 195,000	02/26/2015
82094	\$ 399,900	\$ 418,000	02/09/2015
16353/119345	\$ 277,400	\$ 427,500	12/23/2014
29657/69747	\$ 500,900	\$ 474,986	12/16/2014
83520	\$ 97,800	\$ 100,000	11/17/2014
29487/79735	\$ 154,900	\$ 172,500	10/28/2014
67234	\$ 273,400	\$ 305,000	10/10/2014
64337	\$ 292,500	\$ 314,500	09/25/2014
64353	\$ 236,500	\$ 249,000	09/22/2014
27586	\$ 126,000	\$ 105,000	09/17/2014
69694	\$ 154,900	\$ 169,900	08/11/2014
67213	\$ 334,900	\$ 335,000	08/08/2014
102674	\$ 307,000	\$ 348,500	07/31/2014
119251	\$ 374,200	\$ 395,000	06/25/2014
67227	\$ 257,400	\$ 262,500	05/12/2014

NEIGHBORHOOD SUMMARY

Neighborhood:	Thunderbird
Previous Physical Inspection:	2009
Neighborhood Parcel Count:	653
Sales Sample Size:	31

Sales Summary

There were a total of 31 valid, arm's length sales considered for statistical analysis. There were five other sales which occurred but were invalidated because they were either family or bank-owned sales.

General Neighborhood Boundaries

North – Fir Street, Seneca Drive, State Route 538

West – Logan Creek P.U.D. and Stonebridge Condominium development

East – Skagit Highlands and Hilltop Haven sub-divisions

South – Division Street

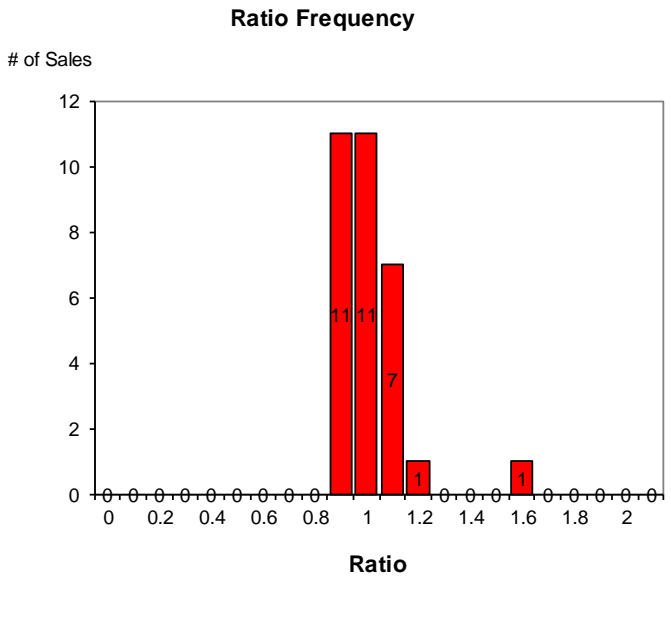
Neighborhood Description

The Thunderbird neighborhood is a primarily single-family residential neighborhood in the central (north to south) and easterly portion of Mount Vernon. Its namesake stems from the various Thunderbird phases and plats which were continually developed from the late 1960's through the 1990's. Large lot sizes of one-third to two-thirds acre are common, and modestly-sized and affordably-valued dwellings characterize this neighborhood. Values range the entire \$200,000 to \$300,000 spectrum with a few exceptions creeping beyond the range at both ends. There are several other plats, including Totem Ridge, The Uplands, Park Meadows, and Monte Vista contained within the Thunderbird neighborhood which don't share its name but are similar in vintage, quality, lot size and value. One exception in character to these plats is Newman Acreage and its adjacent properties at the top of Fir Street. These are one to three-acre estate properties with correspondingly higher qualities and values. Another exception is Spinnaker Cove, developed more recently around 2005, which also has higher qualities and values despite having smaller lots. In 1999 Habitat for Humanity developed Habitat Place on Division Street which is a nine-lot affordable housing community of small lots and dwellings. It is located just east of the Haggen's grocery store which is strategically positioned to service this neighborhood, in addition to all of its adjacent residential neighborhoods like Hilltop, Highlands, and Eaglemont. The city owns a large piece of Public-zoned property located just east of Haggen's and Habitat Place which has been rumored to become a future park.

The City of Mount Vernon supports the neighborhood with all governmental infrastructure and services. The Mount Vernon School District serves the school-aged population. Commercial goods and services, in addition to the hospital and its supporting medical community, are very nearby to the west, conveniently accessed via the east-west running arterials of College Way and Fir and Division Streets. These same streets provide access to Interstate 5 which connects residents to larger commercial options to the north and south.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: Thunderbird	Appr ID: BH	Prop Type: Improved/Vacant Residential	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	31		
Mean Assessed Value	264,300		
Mean Sales Price	278,200		
Standard Deviation AV	52,574		
Standard Deviation SP	59,074		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.961		
Median Ratio	0.946		
Weighted Mean Ratio	0.950		
UNIFORMITY			
Lowest ratio	0.8077		
Highest ratio	1.5275		
Coefficient of Dispersion	9.61%		
Standard Deviation	0.1351		
Coefficient of Variation	14.06%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.879		
Upper limit	0.999		
95% Confidence: Mean			
Lower limit	0.913		
Upper limit	1.008		
SAMPLE SIZE EVALUATION			
N (population size)	653		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.1351		
Recommended minimum	28		
Actual sample size	31		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	16		
# ratios above mean	15		
Z-score	0		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(THUNDERBIRD)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
80855	\$ 262,900	\$ 298,950	04/29/2015
80920	\$ 188,200	\$ 219,500	04/29/2015
78066	\$ 217,800	\$ 222,500	04/27/2015
78069	\$ 237,400	\$ 233,000	04/24/2015
122910	\$ 373,300	\$ 424,884	04/20/2015
80923	\$ 273,900	\$ 313,000	04/13/2015
79428	\$ 301,600	\$ 294,000	03/20/2015
24873	\$ 199,500	\$ 247,000	03/16/2015
54471	\$ 398,200	\$ 400,000	03/06/2015
78394	\$ 324,400	\$ 333,000	03/03/2015
24872	\$ 243,900	\$ 268,000	03/03/2015
80862/83215	\$ 281,700	\$ 340,000	02/09/2015
54544	\$ 273,900	\$ 310,000	01/29/2015
78042	\$ 234,200	\$ 260,000	01/22/2015
78145	\$ 193,600	\$ 230,000	01/12/2015
27131	\$ 290,400	\$ 289,000	01/05/2015
83400	\$ 340,800	\$ 330,000	12/23/2014
80874	\$ 236,700	\$ 260,000	12/23/2014
100793	\$ 314,300	\$ 380,000	12/08/2014
80881	\$ 247,900	\$ 252,500	11/20/2014
83397	\$ 317,000	\$ 335,000	10/30/2014
81847	\$ 189,000	\$ 227,000	10/27/2014
80930	\$ 226,200	\$ 198,000	09/22/2014
78063	\$ 204,200	\$ 222,000	09/04/2014
54467	\$ 279,400	\$ 263,000	08/27/2014
118373	\$ 232,500	\$ 235,000	08/08/2014
82757	\$ 218,600	\$ 256,000	08/05/2014
83394	\$ 292,000	\$ 275,000	08/01/2014
118364	\$ 244,400	\$ 160,000	05/23/2014
108336	\$ 279,700	\$ 280,000	05/12/2014
81819	\$ 275,200	\$ 267,000	05/07/2014

MOUNT VERNON RESIDENTIAL CONDOMINIUM REVALUATION REPORT

Neighborhood Name:	All Mount Vernon residential condominiums
Cycle Number:	6
Neighborhood Parcel Count:	508
Previous Physical Inspection:	2009
Effective Date of Appraisal:	January 1, 2015
Dates of Physical Inspections:	October 1, 2014 - September 15, 2015
Range of Sales Dates:	May 1, 2014 – April 30, 2015
Number of Valid Sales:	33

Sales Summary

All residential condominium sales which were verified as valid that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. There were a total of 33 valid, arm's length sales considered for statistical analysis. There were four other sales which occurred but were invalidated for each of the following reasons: family sale, estate closure, quit claim deed, and a bank-owned sale. A list of the utilized valid sales is provided below.

Overall Value Sale Price Ratio COD: 4.00%

The Coefficient of Dispersion (COD) is a measure of uniformity; the lower the number the better the uniformity. IAAO Standard 14.2.2 recommends the COD for single-family homes and condominiums should be 15.0 or less. In areas of newer or fairly similar residences it should be 10.0 or less.

Highest and Best Use Analysis

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

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of the property as improved for most properties. The existing use will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. In most cases, we find that the current improvements do add value to the property and are therefore the highest and best use. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

Interim Use: In many instances a property's highest and best use may change in the foreseeable future. For example, an improved residential property may be located near a commercial zone area that is slowly expanding and creating pressure for redevelopment. The use to which the site is currently put until the redevelopment pressure is too great is called an interim use. Thus, interim uses are current highest and best uses which are likely to change in a relatively short period of time.

Area Description

Mount Vernon is located along the Skagit River and is surrounded by the rich Skagit Valley farmlands to the west and south, with the foothills of the Cascade Mountains lying to the east. Mount Vernon is the largest city and the county seat of Skagit County. Along with the neighboring city of Burlington to the north, it is the commercial center of the county. Both cities are intersected by Interstate 5, the west coast's major north-south transportation corridor. It has experienced significant growth in residential development over the last twenty years with expansion of the city limits eastward. Many newer subdivisions comprised of moderate to upper priced homes have appeared along East Division Street, a major east-west arterial. Central Mount Vernon, historically referred to as "The Hill" contains a mixture of residential neighborhoods of homes built primarily between the 1920's through the 1980's, along with a large medical-professional center surrounding Skagit Valley Hospital. The city center lies below and west and is comprised of primarily older residential, transitional, and commercial properties.

The rapid growth in residential development was interrupted by the "Great Recession" and many developers and new homeowners were affected. Banks foreclosed on a number of incomplete subdivisions and completed homes as the supply of new homes far exceeded demand. A number of recently purchased homes became subject to foreclosure due to higher unemployment and declining values. The last two years have seen a recovery in the housing market with a resurgence in new development and increasing real estate values.

Mount Vernon offers a wide variety of housing options, from rentals to starter homes to elegant view properties. Every level of quality and construction style is present, including residential condominiums, townhomes, apartments, single-family homes, commercial and industrial properties. For the 2015 revaluation, extensive re-classification of neighborhoods occurred to better define submarkets for assessment purposes. The neighborhood re-classification considered characteristics such as location, predominant land use, age of homes, quality of construction, and stage in the life cycle of the neighborhood. This allowed for superior analysis of comparable sales data and improved equity of assessments. The following pages summarize sales and assessment information for each of these neighborhoods.

Neighborhood Boundaries

This neighborhood includes all Mount Vernon condominiums, and is therefore not confined by any geographic boundaries other than the Mount Vernon School District boundaries that define this revaluation cycle.

Neighborhood Description

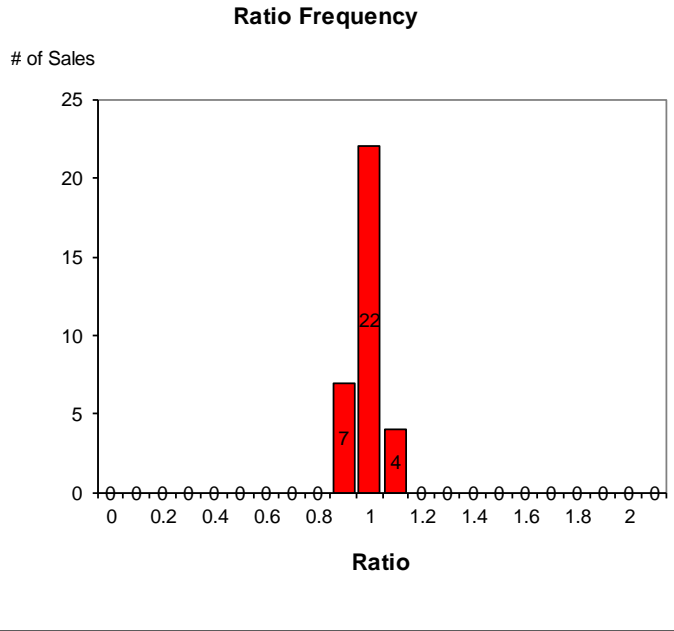
The Mount Vernon condominium market is defined by 13 major projects. All are located on the east side of the Skagit River but are otherwise spread out from the central area (Viewmont, Stonebridge, etc.) to the north (Northridge Estates) to the southeast corner (Ridge at Maddox Creek and the various Eaglemont projects). This condominium market segment largely represents modest-sized units of 1,000 to 1,500 square feet and the more affordable end of the residential value spectrum, ranging between \$100,000 and \$200,000. Two exceptions to this include the Eaglemont (golf course community) and North Hill condominium developments, where values are in the low \$300,000's due to larger unit sizes (1,500 to 2,500 square feet), higher quality finishes and, in some cases, views.

Conclusion and Recommendation

Value changes for residential condominiums in the physically inspected area were the result of applying current replacement cost tables to the improvements, less depreciation, then combining with a land value, as determined by sales of similar, vacant land or by extracting land value from improved property sales. Values resulting from this process were then modified when warranted, based on sales of comparable properties within each plat or neighborhood sector. The sales sample of the residential condominium market segment indicates a normal distribution and the post-revaluation values improve uniformity and equity. The results are therefore considered to provide a reliable representation of fair market value and we recommend posting these values for the 2015 assessment year.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: All Condominiums	Appr ID: DA	Prop Type: Condominium	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	33		
Mean Assessed Value	187,600		
Mean Sales Price	201,000		
Standard Deviation AV	67,940		
Standard Deviation SP	75,671		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.940		
Median Ratio	0.936		
Weighted Mean Ratio	0.933		
UNIFORMITY			
Lowest ratio	0.8563		
Highest ratio	1.0792		
Coefficient of Dispersion	4.00%		
Standard Deviation	0.0513		
Coefficient of Variation	5.46%		
Price-related Differential	1.01		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.918		
Upper limit	0.952		
95% Confidence: Mean			
Lower limit	0.922		
Upper limit	0.957		
SAMPLE SIZE EVALUATION			
N (population size)	508		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0513		
Recommended minimum	4		
Actual sample size	33		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	18		
# ratios above mean	15		
Z-score	0.348155312		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(MOUNT VERNON CONDOMINIUM)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
119670	\$ 289,800	\$ 319,000	04/28/2015
119666	\$ 286,800	\$ 332,000	04/28/2015
120066	\$ 147,200	\$ 157,000	04/28/2015
120844	\$ 134,400	\$ 136,800	04/17/2015
119426	\$ 169,100	\$ 187,000	04/03/2015
126335	\$ 293,000	\$ 320,000	03/20/2015
121573	\$ 299,400	\$ 315,000	02/26/2015
81968	\$ 153,000	\$ 177,500	02/25/2015
119428	\$ 195,800	\$ 220,000	02/19/2015
113517	\$ 97,200	\$ 105,000	02/10/2015
114383	\$ 185,200	\$ 195,000	02/02/2015
117992	\$ 209,800	\$ 245,000	01/14/2015
120060	\$ 150,700	\$ 156,500	01/12/2015
117182	\$ 186,000	\$ 210,000	12/26/2014
111944	\$ 135,800	\$ 147,600	12/03/2014
126337	\$ 284,000	\$ 309,500	11/25/2014
81987	\$ 151,900	\$ 159,500	10/28/2014
81986	\$ 163,300	\$ 174,500	10/28/2014
125285	\$ 97,500	\$ 100,000	10/27/2014
125284	\$ 97,500	\$ 100,000	10/06/2014
81636	\$ 80,700	\$ 84,500	09/10/2014
113997	\$ 291,500	\$ 330,000	09/08/2014
117725	\$ 198,100	\$ 210,000	08/28/2014
120063	\$ 157,200	\$ 147,500	08/27/2014
113988	\$ 312,900	\$ 330,000	08/15/2014
119682	\$ 228,600	\$ 245,000	08/05/2014
122671	\$ 132,900	\$ 150,000	07/22/2014
81942	\$ 105,100	\$ 108,500	07/15/2014
120841	\$ 191,300	\$ 190,000	07/15/2014
114386	\$ 167,900	\$ 180,000	06/27/2014
114187	\$ 167,900	\$ 180,000	06/25/2014
120847	\$ 165,100	\$ 165,000	05/27/2014
113985	\$ 264,400	\$ 245,000	05/15/2014

MOUNT VERNON COMMERCIAL REVALUATION REPORT

Neighborhood:	All Mount Vernon commercial, industrial, and 5+ unit multi-family, properties
Cycle Number:	6
Neighborhood Parcel Count:	1,656
Previous Physical Inspection:	2009
Effective Date of Appraisal:	January 1, 2015
Date of Physical Inspections:	October 1, 2014 – September 15, 2015
Range of Sales Dates:	May 1, 2014 – April 30, 2015
Number of Valid Sales:	18

Sales Summary

All sales of commercial, industrial, and 5+ unit multi-family properties which were verified as valid that did not have characteristic changes between the date of sale and the date of appraisal were included in the analysis. There were a total of 18 valid, arm's length sales considered for statistical analysis. The nature of commercial real estate is complex and numerous other sales occurred but were invalidated as non-market transactions for various reasons, including one family sale, four tax-exempt entities, two quit claim deeds, one partial interest, four easements, three properties improved between sale and appraisal date which distorts their ratios, and nine bank-owned or short sales. Four other sales participate in an open-space tax program which is considered to affect market value and were therefore also invalidated. A list of the utilized valid sales follows below.

Overall Value Sale Price Ratio COD: 8.07%

The Coefficient of Dispersion (COD) is a measure of uniformity; the lower the number the better the uniformity. IAAO Standard 14.2.2 recommends the COD for income-producing properties should be 20.0 or less (15.0 or less in larger, urban jurisdictions).

Highest and Best Use Analysis

As if vacant: Market analysis of this area, together with current zoning and current anticipated use patterns, indicate the highest and best use of the majority of the appraised parcels as non-single family residential, whether they are commercial, industrial, or 5+ multi-family. Any opinion not consistent with this is specifically noted in our records and considered in the valuation of the specific parcel.

As if improved: Based on neighborhood trends, both demographic and current development patterns, the existing buildings represent the highest and best use of most sites. The existing use will continue until land value, in its highest and best use, exceeds the sum of the value of the entire property in its existing use and the cost to remove the improvements. We find that the current

improvements do add value to the property in most cases, and are therefore the highest and best use of the property as improved.

Interim Use: In many instances a property's highest and best use may change in the foreseeable future. A tract of land at the edge of a city might not be ready for immediate development, but current growth trends may suggest that the land should be developed in a few years.

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

Area Description

Mount Vernon is located along the Skagit River and is surrounded by the rich Skagit Valley farmlands to the west and south, with the foothills of the Cascade Mountains lying to the east. Mount Vernon is the largest city and the county seat of Skagit County. Along with the neighboring city of Burlington to the north, it is the commercial center of the county. Both cities are intersected by Interstate 5, the west coast's major north-south transportation corridor. It has experienced significant growth in residential development over the last twenty years with expansion of the city limits eastward. Many newer subdivisions comprised of moderate to upper-priced homes have appeared along East Division Street, a major east-west arterial. Central Mount Vernon, historically referred to as "The Hill" contains a mixture of residential neighborhoods of homes built primarily between the 1920's through the 1980's, along with a large medical-professional center surrounding Skagit Valley Hospital. The city center lies below and west and is comprised of primarily older residential, transitional, and commercial properties.

The rapid growth in residential development was interrupted by the "Great Recession" and many developers and new homeowners were affected. Banks foreclosed on a number of incomplete subdivisions and completed homes as the supply of new homes far exceeded demand. A number of recently purchased homes became subject to foreclosure due to higher unemployment and declining values. The last two years have seen a recovery in the housing market with a resurgence in new development and increasing real estate values.

Mount Vernon offers a wide variety of housing options, from rentals to starter homes to elegant view properties. Every level of quality and construction style is present, including residential condominiums, townhomes, apartments, single-family homes, commercial and industrial properties. For the 2015 revaluation, extensive re-classification of neighborhoods occurred to better define submarkets for assessment purposes. The neighborhood re-classification considered characteristics such as location, predominant land use, age of homes, quality of construction, and stage in the life cycle of the neighborhood. This allowed for superior analysis of comparable sales data and improved equity of assessments. The following pages summarize sales and assessment information for each of these neighborhoods.

General Neighborhood Boundaries

This neighborhood includes all Mount Vernon commercial, industrial, and 5+ unit multi-family properties, and is therefore not confined by any geographic boundaries other than the Mount Vernon School District boundaries that define this revaluation cycle.

Neighborhood Description

Mount Vernon is Skagit County's largest city. The city's population was 33,530 in 2015 which is nearly 28 percent of the total population of Skagit County. According to a Moody's Analytic study, the largest employers in the Mount Vernon Metropolitan Statistical Area are Skagit Valley Hospital, Skagit Valley College, Draper Valley, Island Hospital, Janicki Industries, Regence Blue Shield, the Shell Puget Sound Refinery, United General Hospital, Dakota Creek Industries, and Tesoro Refining and Marketing Company.

While the Mount Vernon commercial area encompasses the entire area located within the boundaries of the Mount Vernon School District, there are several distinct sub-market areas located within the district.

The Downtown Mount Vernon area includes the historic downtown and riverfront areas. It extends south to include the offices and retail establishments along South 2nd and 3rd Streets. Downtown is part of the National Trust Main Street Program which is designed to enhance and maintain the unique charm of cities like Mount Vernon. The completion of Phase II of the Downtown Mount Vernon Flood Protection and Revitalization Project has infused new life into the downtown area.

The South Mount Vernon neighborhood includes the area from the south end of the Mount Vernon School District limits at Hickox Road to the southern end of the downtown area along Blackburn Road. This area has good access to Interstate 5 from several interchanges, and many properties enjoy excellent exposure to the interstate. Skagit County recently selected the south Mount Vernon former Truck City site for the construction a new \$43 million jail which is expected to be completed in 2017.

The Westside area is located on the west side of the Skagit River and includes the commercial properties that cluster along State Route 536.

The Freeway Drive area lies north of downtown along Interstate 5. Recent commercial developments in this neighborhood include a new IHOP, a new Burgermaster, and the new Skagit Regional Clinic located at Riverbend which is a two-story, 39,000 square foot, \$14 million medical clinic.

The Riverside neighborhood follows Riverside Drive from the Skagit River south to Fir Street.

The College Way neighborhood extends primarily along State Route 538 from Urban Avenue to the eastern borders of the Mount Vernon School District. This area includes a diverse mix of office, retail, restaurant and multi-family. It also encompasses the campus of Skagit Valley College and the Continental Place government offices of Skagit County and the City of Mount Vernon.

The "Pill Hill" neighborhood radiates outward from the Skagit Valley Hospital. This area consists mainly of medical office buildings, assisted living facilities, multi-family developments, and mobile home parks. Large areas of this neighborhood are zoned for hospital district and professional office use. Much of this area has been in transition from single-family residential use to professional office use as the hospital grows.

The Farm to Market area is located north of Highway 20 near its intersection with Farm to Market Road. It encompasses the highest concentration of industrial properties within the Mount Vernon revaluation area and includes Sierra Pacific Industries and the Northwest Hardwoods mill.

Economic Trends

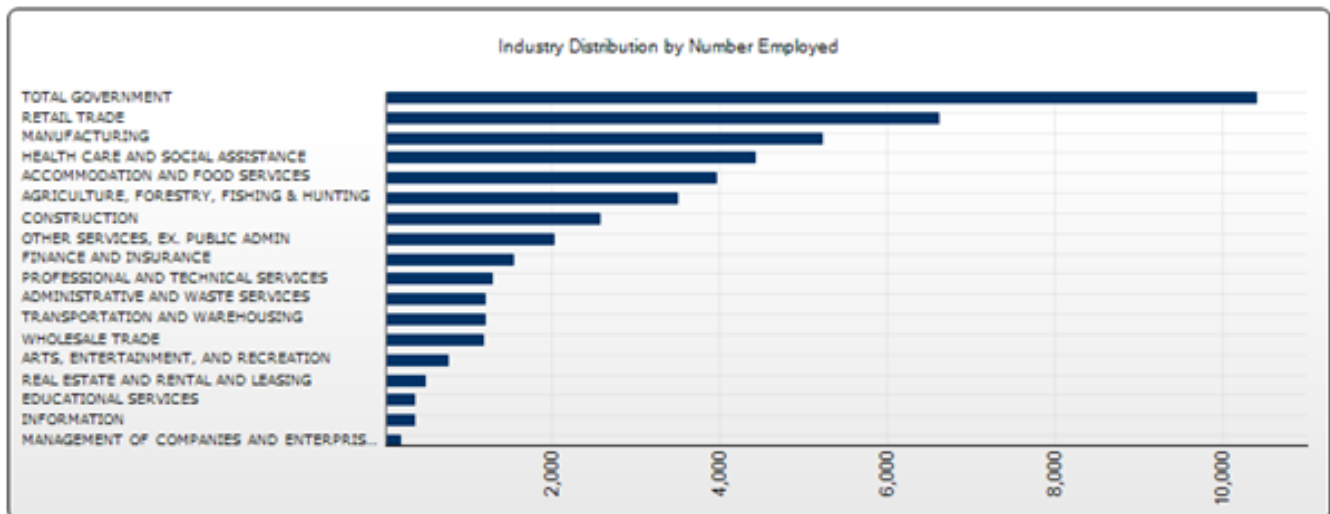
Skagit County is best known throughout the region for its agriculture. However, in 2013 the U.S. Bureau of Economic Analysis estimated the major contributor to the Skagit County Gross Domestic Product (GDP) was manufacturing. 33.4 percent of total GDP was attributable to the manufacturing sector whereas only 4.5

percent was accounted for by agriculture, forestry, and fishing and hunting. Government was the source of approximately 16 percent of local GDP.

In Skagit County, as in the national economy, the largest sector providing jobs is the private service sector which made up 57.2 percent of total non-farm employment in 2014. Retail trade and social and health services contribute the largest employment bases within the private service sector. In 2014, of non-farm jobs, 19.5 percent were local government jobs consisting mostly of those in K-12 education.

In the time of the Great Recession, goods-producing jobs in Skagit County fell from 21.2 percent of non-farm jobs in 2007 to 17.4 percent in 2011. These industries have slowly recovered and by 2014 they made up 19.6 percent of total non-farm jobs.

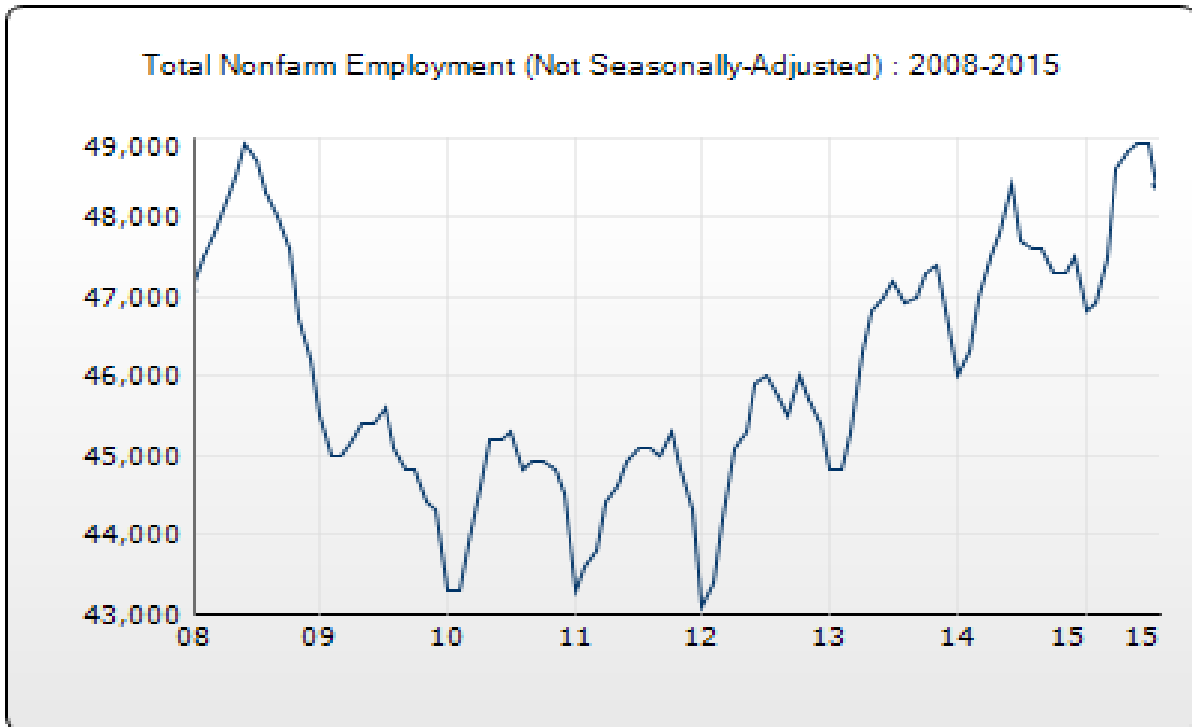
The County's economy is rounded out by heavy industry, including the Tesoro and Equilon oil refineries, a variety of aerospace and marine-related manufacturers, and a growing food manufacturing segment. Though the economic recovery was a long time coming in Skagit County, manufacturing is one industry that has been a key to the county's revitalization.



Source: Anneliese Vance-Sherman, *Employment Security Department Washington, Skagit County Profile*, updated September 2015. <https://fortress.wa.gov/esd/employmentdata/reports-publications/regional-reports/county-profiles/skagit-county-profile>

Employment Trends

According to Employment Security findings, Skagit County entered the recession earlier than the rest of the state, experienced a greater decline, and took longer to recover. Between 2007 and 2011, Skagit County lost 3,400 jobs – over seven percent. January 2010 marked the peak of Skagit County unemployment at 10.9 percent. The recovery began in 2012 and began to strengthen in 2013. From 2013 to 2014, 900 jobs were added by Skagit County businesses. Taxable sales in Skagit County rose 12.95 percent between 2010 and 2014. The job growth in the county has been widely spread among job sectors and improvement has been steady. The average unemployment rate was 7.4 percent in 2014 and by July of 2015 had dropped to 6.6 percent.



Summary

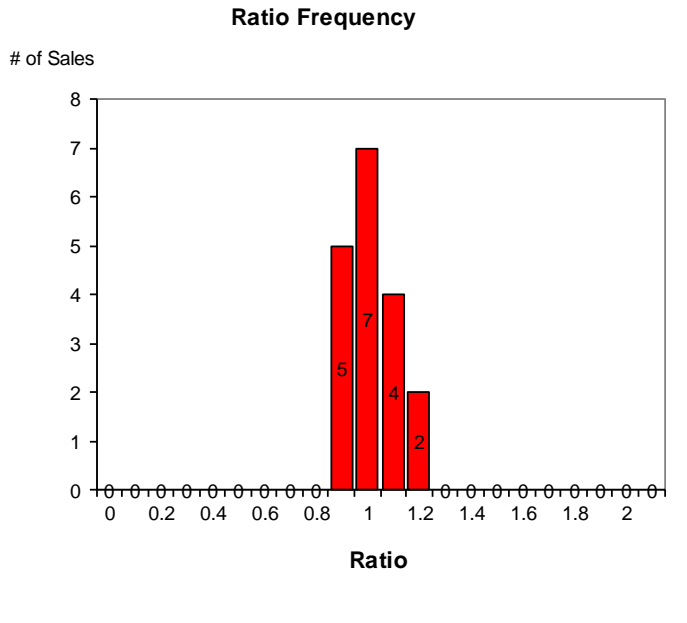
With increased employment throughout Skagit County, along with the broader economic recovery of the Puget Sound region, the Mount Vernon commercial and industrial markets are showing positive signs of generally stable to increasing lease rates, stable to decreasing vacancy rates, a slight decrease in capitalization rates, and stabilized to slightly improved property values.

Conclusion and Recommendation

Value changes for the commercial market sector in the physically inspected area were the result of applying current replacement cost tables to the improvements, less depreciation, then combining with a land value, as determined by sales of similar, vacant land or by extracting land value from improved property sales. As resources and available data allowed, an income approach was implemented as an alternative method and test of reasonableness. Values resulting from this process were then modified when warranted, based on sales of comparable properties within the respective commercial neighborhoods. The overall sales sample of the commercial market sector indicates a normal distribution and the post-revaluation values improve uniformity and equity. The results are therefore considered to provide a reliable representation of fair market value and we recommend posting these values for the 2015 assessment year.

NEIGHBORHOOD RATIO STUDY

Reval Cycle: 6 - Mount Vernon	Appraisal Date: 01/01/2015	Report Date: 12/25/2015	Sales Range: 5/1/2014 - 4/30/2015
Neighborhood: COMMERCIAL	Appr ID: JS, DA	Prop Type: Comml, Indstrl, 5+ Multi-family	Trend used?: No
SAMPLE STATISTICS			
Sample Size (n)	18		
Mean Assessed Value	888,100		
Mean Sales Price	937,500		
Standard Deviation AV	1,362,379		
Standard Deviation SP	1,525,010		
ASSESSMENT LEVEL			
Arithmetic Mean Ratio	0.982		
Median Ratio	0.963		
Weighted Mean Ratio	0.947		
UNIFORMITY			
Lowest ratio	0.8390		
Highest ratio	1.1882		
Coefficient of Dispersion	8.07%		
Standard Deviation	0.0991		
Coefficient of Variation	10.09%		
Price-related Differential	1.04		
RELIABILITY			
95% Confidence: Median			
Lower limit	0.897		
Upper limit	1.067		
95% Confidence: Mean			
Lower limit	0.936		
Upper limit	1.028		
SAMPLE SIZE EVALUATION			
N (population size)	1656		
B (acceptable error - in decimal)	0.05		
S (estimated from this sample)	0.0991		
Recommended minimum	16		
Actual sample size	18		
Conclusion	OK		
NORMALITY			
Binomial Test			
# ratios below mean	11		
# ratios above mean	7		
Z-score	0.707106781		
Conclusion	Normal*		
*i.e., no evidence of non-normality			



These figures reflect the ratio of the 2015 assessed value/sales price, after the 2015 revaluation.

**NEIGHBORHOOD SALES SAMPLE
(MOUNT VERNON COMMERCIAL/INDUSTRIAL AND 5+ MULTI-FAMILY)**

Parcel Number	2015 Assessed Value	Sale Price	Sale Date
124757/124758	\$ 326,700	\$ 306,125	11/21/2014
27156/27252/27324	\$ 6,010,900	\$ 6,700,000	12/22/2014
25974	\$ 858,500	\$ 722,500	01/12/2015
52829	\$ 159,900	\$ 169,750	12/15/2014
21700	\$ 272,500	\$ 250,000	11/04/2014
28940	\$ 133,100	\$ 150,000	10/09/2014
53844	\$ 849,400	\$ 733,000	05/09/2014
82037	\$ 477,100	\$ 500,000	03/17/2015
103194	\$ 682,400	\$ 732,500	02/25/2015
106646/106647	\$ 251,700	\$ 300,000	02/17/2015
54832	\$ 196,100	\$ 195,000	03/27/2015
52694	\$ 307,100	\$ 285,000	12/05/2014
26248	\$ 1,215,800	\$ 1,250,000	10/29/2014
67450	\$ 354,100	\$ 399,000	07/28/2014
24905	\$ 1,175,100	\$ 1,200,000	07/03/2014
120400	\$ 1,936,900	\$ 2,170,000	06/27/2014
52159	\$ 449,100	\$ 450,000	05/02/2014
67353/67354	\$ 328,500	\$ 362,500	04/23/2015

2015 - 2016 STATISTICAL ANALYSIS AND UPDATE

For property tax assessment purposes, state law requires a physical, on-site inspection to occur at a minimum frequency of six years for every property in the County. To achieve this, the County has been divided into six revaluation regions/cycles that correspond with school district boundaries. In this year's 2015-2016 revaluation, physical inspections and subsequent re-appraisals occurred in the Mount Vernon School District. The main body of this report is the revaluation report for this physical inspection cycle. The remaining five regions that were not physically inspected and re-appraised were reviewed and revalued based on a broader statistical analysis of sales ratios.

Sales Ratio Statistical Analysis

A sales ratio study identifies all valid market transactions for a neighborhood grouping, computes the sales ratios (assessed value/sale price), and applies statistical analysis to conclude a weighted mean ratio. The weighted mean ratio is the measure which is statistically adjusted to a desired percentage. State law mandates that assessments are equal to 100 percent of true and fair market value. However, due to the nature and constraints of mass appraisal and the realities of statistics, it is impossible to achieve a 100 percent overall ratio without some properties being above that threshold. Therefore, a desired overall sales ratio typically falls in the low 90 percent range to allow for a normal statistical distribution above and below that range, while minimizing any outliers falling above 100 percent.

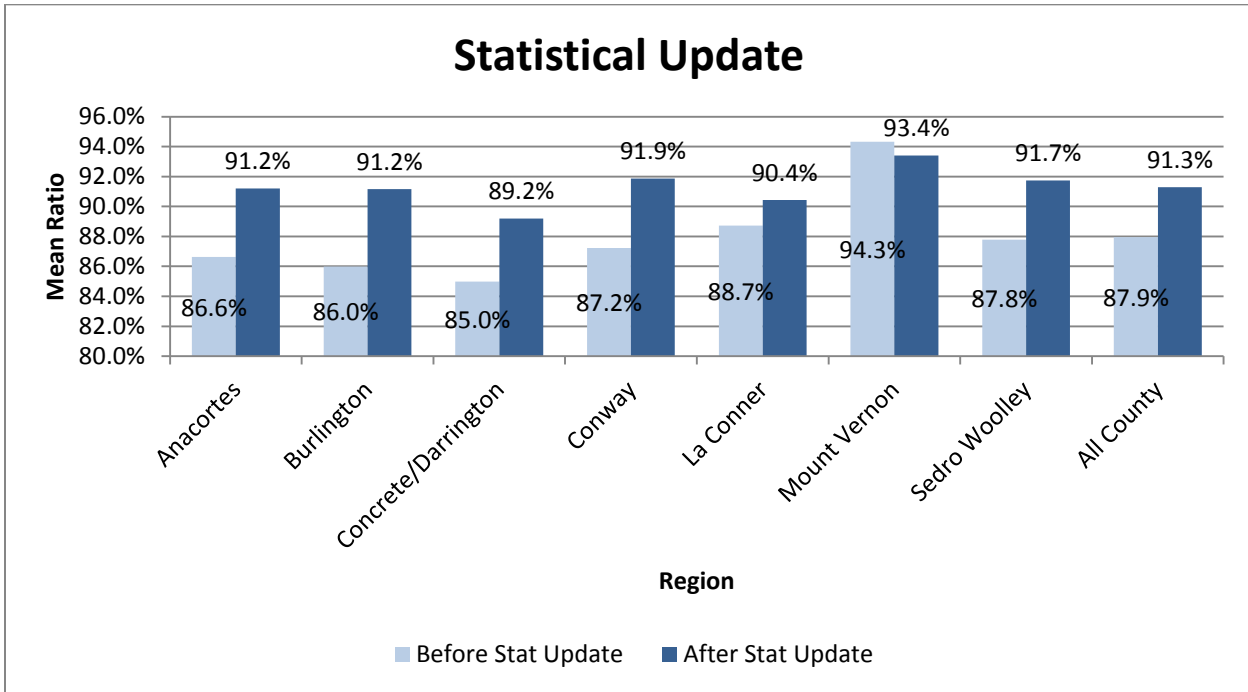
This statistical updating is used to equalize neighborhoods within a given region. The process also serves to equalize the six regions relative to each other. An additional and valuable use of the sales ratio study is to calibrate and fine tune our valuation tables and models for future appraisal cycles.

2015-2016 Sales Ratio Study

A query of sales for all property types throughout the County, including single family, condominium, multi-family, and commercial/industrial properties was performed for the time period of May 1, 2014 through April 30, 2015, this being the timeframe prescribed by the Washington State Department of Revenue. The local real estate market has generally been appreciating, as reflected in the below statistics. Predictably, the five regions (all but Mount Vernon) that were last inspected one to five years ago and have dated appraisals are trailing this rising market, as evidenced by weighted mean ratios in the upper 80 percentiles. Mount Vernon, on the other hand, which had just been re-appraised during this year's revaluation cycle, had a weighted mean ratio of 94.3 percent, very close to the desired figure. Statistical updates were targeted at individual neighborhoods within these regions to equalize them in the low 90 percentile range. The neighborhoods are merged to then calculate a weighted mean for each region. The charts below show the regional weighted means before statistical updates (left and light blue), and after statistical updates have been applied (right and dark blue).

Statistical summary before stat update	
Region	Wtd . Mean Sales Ratio
Anacortes	86.6%
Burlington	86.0%
Concrete/Darrington	85.0%
Conway	87.2%
La Conner	88.7%
Mount Vernon	94.3%
Sedro Woolley	87.8%
All County (Not weighted)	87.9%

Statistical summary after stat update	
Region	Wtd. Mean Sales Ratio
Anacortes	91.2%
Burlington	91.2%
Concrete/Darrington	89.2%
Conway	91.9%
La Conner	90.4%
Mount Vernon	93.4%
Sedro Woolley	91.7%
All County (Not weighted)	91.3%



Conclusion

The “before” and “after” results show a vast improvement and subsequent equalization of the weighted mean ratios in the desired lower 90 percent range for Skagit County’s six revaluation regions, and we therefore recommend posting these values for the 2015 assessment year.

GLOSSARY

Measures of Central Tendency

- **Mean** – the average value or ratio.
Computed by summing the values and dividing by sample size.
More affected by extreme values than the median.
- **Median** – the midpoint, middle value or ratio.
If the number of data items is even, then the median is the midpoint between the two middle values.
- **Weighted Mean** – an aggregate ratio, weights each ratio in proportion to its sale price. Sum of assessed values divided by the sum of sale prices.

Measures of Uniformity

- **Standard Deviation** – square root of the variance, assuming a normal data distribution.
Approx. 68% will lie within +/- one standard deviation of the mean.
Approx. 95% will lie within +/- two standard deviations of the mean.
Approx. 99% will lie within +/- three standard deviations of the mean.
- **Price Related Differential (PRD)** – calculated by dividing the mean by the weighted mean.
PRD > 1.03 indicates relative under appraisal of higher value parcels (assessment regressivity).
PRD < 0.98 indicates relative over appraisal of higher value parcels (assessment progressivity).
- **Coefficient of Dispersion (COD)** – represents the average percent difference from the median, most widely used measure of uniformity in ratio studies.
IAAO standards are:
10.0 or less for properties in newer relatively homogeneous areas.
15.0 or less for properties in older, heterogeneous areas.
20.0 or less for vacant land.
- **Coefficient of Variation (COV)** – standard error divided by the mean of the dependent variable.
It expresses the standard deviation as a percentage, making comparison among groups easier.
Approx. 68% will lie within one COV% of the mean ratio.
Approx. 95% will lie within two COV% of the mean ratio.
Approx. 99% will lie within three COV% of the mean ratio.

Source: Pierce County Department of Assessments

IAAO Standards

14.2.2 Uniformity among Single-Family Residential Properties

The COD for single-family homes and condominiums should be 15.0 or less. In areas of newer or fairly similar residences, it should be 10.0 or less.

14.2.3 Uniformity among Income-Producing Properties

The COD for income-producing properties should be 20.0 or less. In larger, urban jurisdictions, it should be 15.0 or less.

14.2.4 Uniformity among Unimproved Properties

The COD for vacant land should be 20.0 or less.

14.2.5 Uniformity among Rural Residential and Seasonal Properties

The COD for heterogeneous rural residential property and seasonal homes should be 20.0 or less.

14.2.6 Uniformity among Other Properties

Target CODs for special-purpose real property and personal property should reflect the nature of the properties involved, market conditions, and the availability of reliable market indicators.

14.2.7 Vertical Equity

PRDs should be between 0.98 and 1.03. The reason this range is not centered on 1.00 relates to an inherent upward bias in the arithmetic mean (numerator in the PRD) that does not equally affect the weighted mean (denominator in the PRD). When samples are small, have high dispersion, or include properties with extreme values, the PRD may not provide an accurate indication of assessment regressivity or progressivity. Similar considerations apply to special-purpose real property and to personal property. It is good practice to perform an appropriate statistical test for price-related biases before concluding that they exist.