

**MECKLENBURG COUNTY BOARD OF COMMISSIONERS
RESOLUTION
ACKNOWLEDGING THAT NORTH CAROLINA
SESSION LAW 2013-362 APPLIES TO
MECKLENBURG COUNTY**

WHEREAS, pursuant to North Carolina General Statute 105-286, Mecklenburg County conducted a Reappraisal of all real property effective January 1, 2011 (hereinafter referred to as the "2011 Revaluation"); and

WHEREAS, on July 3, 2012, the Board of Commissioners selected Pearson's Appraisal Service, Inc. (hereinafter "Pearson's") to perform an independent review of the 2011 Revaluation; and

WHEREAS, Pearson's presented a report to the Board of its review of the Mecklenburg County 2011 Revaluation on November 20, 2012, which report found instances of inequity and erroneous data that had impacts on the valuations of properties in Mecklenburg County; and

WHEREAS, on July 18, 2013 the General Assembly of North Carolina ratified Session Law 2013-362, which law was approved by Governor Pat McCrory on July 26, 2013, a copy of which is attached as Exhibit A; and

WHEREAS, Session Law 2013-362 requires that under those conditions set forth in Session Law 2013-362, a county must follow certain procedures to correct general reappraisals resulting in property values that do not comply with the requirements of North Carolina law by setting forth the steps required to bring the general reappraisal into compliance with the applicable property tax mandates; and

WHEREAS, the Board of Commissioners has received an Affidavit of Robert H. Pearson dated August 1, 2013 for the purpose of addressing the conditions set forth in Session Law 2013-362, a copy of which affidavit is attached as Exhibit B; now, therefore, be it

RESOLVED that the Board of Commissioners makes the following findings:


1. Mecklenburg County's last general reappraisal was performed for the 2011 tax year.
2. Pearson's Appraisal Service, Inc. is a qualified appraisal company registered with the North Carolina Department of Revenue.

3. Pearson's Appraisal Service, Inc. is a company independent of Mecklenburg County. It was selected and retained by Mecklenburg County to perform a review of the 2011 Revaluation.
4. Pearson's Appraisal Service, Inc. performed a review of the 2011 Revaluation, using a sample size of no less than 375 properties, the relevant characteristics of which were reviewed on location at the properties.
5. Based upon the Affidavit of Robert H. Pearson dated August 1, 2013 submitted to the Board, the County has independent evidence that the majority of commercial neighborhoods in the County reviewed by Pearson's Appraisal Service, Inc. possessed significant issues of inequity.
6. Based upon the Affidavit of Robert H. Pearson dated August 1, 2013 submitted to the Board, the County has independent evidence that for residential neighborhoods instances of inequity or erroneous data had an impact on the valuation of the neighborhood as a whole.
7. The four conditions set forth in Section 1 of Session Law 2013-362 have been met and apply to Mecklenburg County and the 2011 Revaluation. And, be it

FURTHER RESOLVED that having found that the conditions set forth in Section 1 of Session Law 2013-362 apply to the Mecklenburg County 2011 Revaluation, the Board of Commissioners hereby directs the Interim County Manager/County Manager to take all steps necessary to implement the requirements set forth in Section 2(ii) of Session Law 2013-362. Specifically, the Interim County Manager/County Manager is directed to take all steps necessary to have a qualified appraisal company conduct a review of all the values in the County by neighborhoods and make recommendations to the Board of Commissioners as to the true value of the properties as of January 1, 2011 so that, as required by Session Law 2013-362, the Board of Commissioners can make any changes on the abstracts and tax records to ensure that the assessed values of incorrectly appraised properties in the County reflect the true values of those properties effective January 1, 2011 pursuant to G.S. 105-286 and apply the adjusted values for those properties for each tax year until the next general reappraisal for real property is performed by the County pursuant to G.S. 105-286, unless those adjusted values are changed in accordance with G.S. 105-287.

Approved the _____ day of August, 2013.

APPROVED AS TO FORM:



County Attorney

Clerk to the Board

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SESSION LAW 2013-362
SENATE BILL 159

AN ACT TO CORRECT GENERAL REAPPRAISALS RESULTING IN PROPERTY VALUES THAT DO NOT COMPLY WITH THE REQUIREMENTS OF NORTH CAROLINA LAW BY SETTING FORTH THE STEPS REQUIRED TO BRING THE GENERAL REAPPRAISAL INTO COMPLIANCE WITH THE APPLICABLE PROPERTY TAX MANDATES.

Whereas, the Great Recession has had deleterious effects on the economy and especially on the housing market; and

Whereas, valuation data for a calendar year is used to determine market value for a general reappraisal as of January 1 of the following year; and

Whereas, there were a total of 3,825,637 foreclosure filings during the 2010 calendar year, and 2.23% of all households were in some stage of foreclosure during 2010; and

Whereas, annual analysis of the housing market in North Carolina in 2011 shows tax assessments in nearly half of the counties in the State were higher, on average, than actual market values; and

Whereas, the General Assembly has previously required accelerated general reappraisals when sales values deviated too much from assessed values, but such countywide analyses can fail to properly account for pockets of improperly valued properties or where properties have values that offset improperly valued properties located elsewhere within the county; and

Whereas, these unique and extraordinary conditions have increased the difficulty of accurately appraising real property for tax purposes and increased the number of actual errors in conducting reappraisals; and

Whereas, independent evidence shows instances of high degrees of inequity in valuations among like properties of a type that is not acceptable by widely accepted mass appraisal standards; and

Whereas, independent evidence shows, among other things, that there exist concrete examples of erroneous valuations, for example, that resulted both from the values accepted as initial values and from other inequities produced during the property tax appeals process; and

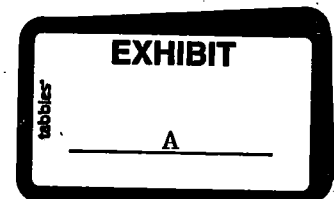
Whereas, these examples prove the existence of errors that give rise to significant issues that must be addressed to resolve inequities among like and similar properties; and

Whereas, the General Assembly recognizes that the confluence of these issues arising during the time when general reappraisals of real property were occurring has resulted not only in a higher risk but in a higher incidence of assessed values failing to accurately and fairly reflect true market values; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 105-287, 105-325, 105-380, any provision of law restricting the time for which a change in appraisal or valuation may be made, or any other provision of Subchapter II of Chapter 105 of the General Statutes inconsistent with the provisions of this act, a board of county commissioners shall undertake the measures required by this act if all of the following conditions are met:

- (1) The county has independent evidence that the majority of commercial neighborhoods in the county reviewed by a qualified appraisal company possess significant issues of inequity.



- (2) The county has independent evidence that for residential neighborhoods instances of inequity or erroneous data had an impact on the valuation of the neighborhood as a whole.
- (3) The county's last general reappraisal was performed for the 2008 tax year, 2009 tax year, 2010 tax year, 2011 tax year, or 2012 tax year.
- (4) The independent evidence resulted from a review performed by a qualified appraisal company selected and retained by the county and registered with the Department of Revenue and had a sample size of no less than 375 properties, the relevant characteristics of which were reviewed on location at the property.

SECTION 2. If all of the conditions of Section 1 of this act are met, a board of county commissioners shall either (i) conduct a reappraisal, using no less than one person certified by the Department of Revenue for mass valuations per 4,250 parcels, pursuant to G.S. 105-286 within 18 months, applicable to all tax years from and including the tax year when the last general reappraisal was performed pursuant to G.S. 105-286 or (ii) have a qualified appraisal company, which may be the same company that provides the evidence in Section 1 of this act, conduct a review of all the values in the county by neighborhoods and make recommendations as to the true value of the properties as of January 1 of the year of the last general reappraisal performed pursuant to G.S. 105-286. After the reappraisal or after each neighborhood review required by this section is complete, the board of county commissioners shall make any change on the abstracts and tax records to ensure that the assessed values of incorrectly appraised properties in the county reflect the true values of those properties effective for the year of the last general reappraisal performed pursuant to G.S. 105-286 and shall apply the adjusted values for those properties for each tax year until the next general reappraisal for real property is performed by the county pursuant to G.S. 105-286 unless those adjusted values are changed in accordance with G.S. 105-287. In making changes to the abstracts and tax records mandated by this act, the board of county commissioners shall make adjustments for previous errors prioritized as follows:

- (1) Adjustments to parcels with errors that resulted in the parcels having a significantly overstated value.
- (2) Adjustments to parcels with errors that resulted in the parcels having a significantly understated value.
- (3) Adjustments to parcels with errors that resulted in the parcels having an overstated value.
- (4) Adjustments to parcels with errors that resulted in the parcels having an understated value.

In instances of parcels with errors that resulted in an overpayment of taxes, the governing board shall require that notice of refund and the refund amount be sent to the owner of record as of the date the payment was made. The provisions of G.S. 105-380 do not apply to the issuance of any refund under the provisions of this act.

SECTION 3. Interest on taxes paid on parcels with errors that resulted in the parcels having an overstated value shall be calculated at a rate of five percent (5%) per annum. Additional taxes levied on parcels as a result of errors causing the parcels to have an understated value shall be treated as taxes on discovered property pursuant to G.S. 105-312, except that the discovery penalties set forth in subsection (h) of G.S. 105-312 shall not apply.

SECTION 4. This act is effective when it becomes law. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

In the General Assembly read three times and ratified this the 18th day of July, 2013.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:37 p.m. this 26th day of July, 2013

STATE OF NORTH CAROLINA
COUNTY OF MECKLENBURG

AFFIDAVIT OF ROBERT H. PEARSON

ROBERT H. PEARSON, being first duly sworn, deposes and says as follows:

1. I am a citizen and resident of Clarksville, VA. I am over the age of 18 and am competent to testify to the matters set forth herein.

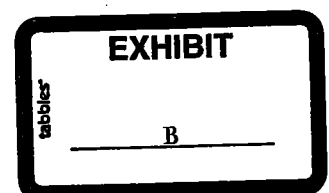
2. I am President of Pearson's Appraisal Service, Inc. (hereinafter "Pearson's"). My brother, Fred Pearson, and I have been in the mass appraisal business since 1981. Our company Pearson's has over 30 employees, has completed over 150 turnkey appraisal projects and has appraised over 2,000,000 parcels. Many of our appraisers are qualified in multiple states for ad valorem appraisals.

3. Fred Pearson and I are certified by the North Carolina Department of Revenue for ad valorem tax purposes. Fred Pearson is certified by the Virginia Real Estate Appraisal Board as a Certified General Appraiser and is certified by the Virginia Department of Taxation as a Professional Assessor. Pearson's is a qualified appraisal company registered with the North Carolina Department of Revenue.

4. I am familiar with North Carolina Session Law 2013-362 (Senate Bill 159), a copy of which is attached hereto as Exhibit 1. The purpose of this affidavit is to address the four (4) conditions set forth in Section 1 of Session Law 2013-362.

5. Mecklenburg County's last general reappraisal was performed for the 2011 tax year. The effective date of the reappraisal was January 1, 2011. (The 2011 reappraisal is hereinafter referred to as the "2011 Revaluation").

6. On July 3, 2012, the Mecklenburg County Board of Commissioners selected Pearson's to perform an independent review of the 2011 Revaluation. The review was



conducted in accordance with a Request for Proposals issued by Mecklenburg County on June 6, 2012 and Pearson's proposal dated June 20, 2012.

7. Attached hereto as Exhibit 2 and incorporated herein by reference is a copy of the Pearson's Report on the Review of the Mecklenburg County 2011 Revaluation which was presented to the Mecklenburg County Board of Commissioners on November 20, 2012.

8. In the course of our review of the 2011 Revaluation, Pearson's conducted individual property reviews of 375 properties which consisted of 75 randomly selected properties and the four closest adjoining properties to the randomly selected properties. The individual properties reviewed included detached single family residential properties, townhomes, condominiums, and commercial properties. The relevant characteristics of each property were reviewed on location at each property. Of the 375 parcels subject to the individual property reviews, 44 had major issues, 45 had minor issues, and 280 were acceptable. "Major issues" were defined as instances of inequity or erroneous data that had a significant impact on the valuation of the property. "Minor issues" were defined as instances of inequity or incorrect information that did not have a major effect on the property valuation. "Acceptable" was defined as the overall valuation of the property was satisfactory, reasonable and acceptable for the 2011 Revaluation.

9. In addition to the random individual property reviews, Pearson's analyzed over 203 individual tax neighborhoods in the course of our review of the 2011 Revaluation. For the 2011 Revaluation, Mecklenburg County's more than 350,000 parcels were divided into 1,333 tax neighborhoods. Pearson's review analyzed 203 of these tax neighborhoods to gauge the overall equity in a neighborhood, to determine the relationship between assessed market values and qualified market sales, and to identify any anomalies or inconsistencies in appraisal methodology.

10. Of the 203 individual tax neighborhoods reviewed, 151 were selected at random for inclusion in the review. Of the 151 random neighborhood reviews, 15 neighborhoods had major issues, 34 neighborhoods had minor issues, and 102 neighborhoods were

acceptable. "Major issues" were defined as instances of inequity or erroneous data that had a significant impact on the valuation of the neighborhood as a whole. "Minor issues" were defined as instances of inequity or incorrect information that did not have a major effect on the neighborhood as a whole. "Acceptable" was defined as the overall valuation of the subject neighborhood was satisfactory based on the scope and procedures of the review, reasonable and acceptable for the 2011 Revaluation.

11. Fifty-two (52) of the 203 neighborhoods reviewed were selected for review because those neighborhoods had the largest land value increase from the 2003 revaluation (Mecklenburg County's revaluation prior to the 2011 Revaluation). The emphasis in the review of those neighborhoods was to determine equity among like and similar properties and to determine the validity of the sales analysis that resulted in the increases to land values. Of those 52 neighborhoods, 20 had major issues, 18 had minor issues, and 14 were acceptable, as those terms are defined in paragraph 10 above.

12. Nine (9) of the 203 neighborhoods reviewed were commercial neighborhoods. Six (6) of the commercial neighborhoods reviewed possessed significant issues of inequity. A list of the commercial neighborhoods reviewed and the analysis of the review is attached hereto as Exhibit 3 and incorporated herein by reference.

13. In conducting the review of the 2011 Revaluation, Pearson's found that residential neighborhoods had instances of inequity or erroneous data that had an impact on the valuation of the neighborhoods as a whole, as more specifically set forth in our Report, Exhibit 2.

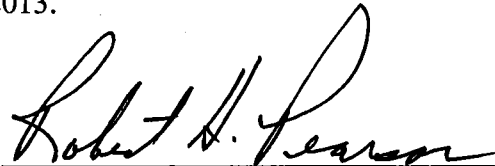
14. Following the presentation of our Report on November 20, 2012, Pearson's was retained by the County to review additional neighborhoods where there are or may be major issues of inequity. As of July 29, 2013, Pearson's has completed reviews of 1,050 residential neighborhoods. An analysis of the reviews of the 1,050 residential neighborhoods is attached hereto as Exhibit 4 and incorporated herein by reference. In addition, as of July 29, 2013, Pearson's has completed reviews of 31 commercial neighborhoods. An analysis of the

reviews of the 31 commercial neighborhoods is attached hereto as Exhibit 5 and incorporated herein by reference.

15. In the course of our review of the 2011 Revaluation, Pearson's has found areas in which there are high degrees of inequity among like properties that have resulted in valuations that are not acceptable by widely accepted mass appraisal standards. The unacceptable residential areas were most likely to be older neighborhoods, heterogeneous in nature, and typically with land values that represented a significant portion of the total assessed value. We found instances of inequity and erroneous data that had an impact on neighborhoods as a whole. In addition, the majority of the commercial neighborhoods we have reviewed possessed significant issues of inequity. In the course of our review of these neighborhoods, Pearson's and the County Assessor's Office have been working and continue to work together to address and correct the instances of inequity and erroneous data.

16. In my opinion, the four (4) conditions set forth in Section 1 of Session Law 2013-362 have been met as more specifically set forth above.

This 1 day of August, 2013.



ROBERT H. PEARSON

SUBSCRIBED AND SWORN TO before me, this 1 day of August, 2013.

Charlene Barron

Notary Public

My Commission Expires: 9-9-2014

(SEAL)



GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2013

SESSION LAW 2013-362
SENATE BILL 159

AN ACT TO CORRECT GENERAL REAPPRAISALS RESULTING IN PROPERTY VALUES THAT DO NOT COMPLY WITH THE REQUIREMENTS OF NORTH CAROLINA LAW BY SETTING FORTH THE STEPS REQUIRED TO BRING THE GENERAL REAPPRAISAL INTO COMPLIANCE WITH THE APPLICABLE PROPERTY TAX MANDATES.

Whereas, the Great Recession has had deleterious effects on the economy and especially on the housing market; and

Whereas, valuation data for a calendar year is used to determine market value for a general reappraisal as of January 1 of the following year; and

Whereas, there were a total of 3,825,637 foreclosure filings during the 2010 calendar year, and 2.23% of all households were in some stage of foreclosure during 2010; and

Whereas, annual analysis of the housing market in North Carolina in 2011 shows tax assessments in nearly half of the counties in the State were higher, on average, than actual market values; and

Whereas, the General Assembly has previously required accelerated general reappraisals when sales values deviated too much from assessed values, but such countywide analyses can fail to properly account for pockets of improperly valued properties or where properties have values that offset improperly valued properties located elsewhere within the county; and

Whereas, these unique and extraordinary conditions have increased the difficulty of accurately appraising real property for tax purposes and increased the number of actual errors in conducting reappraisals; and

Whereas, independent evidence shows instances of high degrees of inequity in valuations among like properties of a type that is not acceptable by widely accepted mass appraisal standards; and

Whereas, independent evidence shows, among other things, that there exist concrete examples of erroneous valuations, for example, that resulted both from the values accepted as initial values and from other inequities produced during the property tax appeals process; and

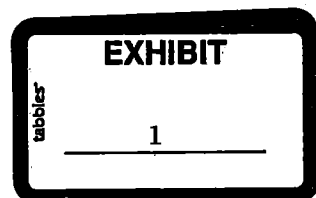
Whereas, these examples prove the existence of errors that give rise to significant issues that must be addressed to resolve inequities among like and similar properties; and

Whereas, the General Assembly recognizes that the confluence of these issues arising during the time when general reappraisals of real property were occurring has resulted not only in a higher risk but in a higher incidence of assessed values failing to accurately and fairly reflect true market values; Now, therefore,

The General Assembly of North Carolina enacts:

SECTION 1. Notwithstanding G.S. 105-287, 105-325, 105-380, any provision of law restricting the time for which a change in appraisal or valuation may be made, or any other provision of Subchapter II of Chapter 105 of the General Statutes inconsistent with the provisions of this act, a board of county commissioners shall undertake the measures required by this act if all of the following conditions are met:

- (1) The county has independent evidence that the majority of commercial neighborhoods in the county reviewed by a qualified appraisal company possess significant issues of inequity.



- (2) The county has independent evidence that for residential neighborhoods instances of inequity or erroneous data had an impact on the valuation of the neighborhood as a whole.
- (3) The county's last general reappraisal was performed for the 2008 tax year, 2009 tax year, 2010 tax year, 2011 tax year, or 2012 tax year.
- (4) The independent evidence resulted from a review performed by a qualified appraisal company selected and retained by the county and registered with the Department of Revenue and had a sample size of no less than 375 properties, the relevant characteristics of which were reviewed on location at the property.

SECTION 2. If all of the conditions of Section 1 of this act are met, a board of county commissioners shall either (i) conduct a reappraisal, using no less than one person certified by the Department of Revenue for mass valuations per 4,250 parcels, pursuant to G.S. 105-286 within 18 months, applicable to all tax years from and including the tax year when the last general reappraisal was performed pursuant to G.S. 105-286 or (ii) have a qualified appraisal company, which may be the same company that provides the evidence in Section 1 of this act, conduct a review of all the values in the county by neighborhoods and make recommendations as to the true value of the properties as of January 1 of the year of the last general reappraisal performed pursuant to G.S. 105-286. After the reappraisal or after each neighborhood review required by this section is complete, the board of county commissioners shall make any change on the abstracts and tax records to ensure that the assessed values of incorrectly appraised properties in the county reflect the true values of those properties effective for the year of the last general reappraisal performed pursuant to G.S. 105-286 and shall apply the adjusted values for those properties for each tax year until the next general reappraisal for real property is performed by the county pursuant to G.S. 105-286 unless those adjusted values are changed in accordance with G.S. 105-287. In making changes to the abstracts and tax records mandated by this act, the board of county commissioners shall make adjustments for previous errors prioritized as follows:

- (1) Adjustments to parcels with errors that resulted in the parcels having a significantly overstated value.
- (2) Adjustments to parcels with errors that resulted in the parcels having a significantly understated value.
- (3) Adjustments to parcels with errors that resulted in the parcels having an overstated value.
- (4) Adjustments to parcels with errors that resulted in the parcels having an understated value.

In instances of parcels with errors that resulted in an overpayment of taxes, the governing board shall require that notice of refund and the refund amount be sent to the owner of record as of the date the payment was made. The provisions of G.S. 105-380 do not apply to the issuance of any refund under the provisions of this act.

SECTION 3. Interest on taxes paid on parcels with errors that resulted in the parcels having an overstated value shall be calculated at a rate of five percent (5%) per annum. Additional taxes levied on parcels as a result of errors causing the parcels to have an understated value shall be treated as taxes on discovered property pursuant to G.S. 105-312, except that the discovery penalties set forth in subsection (h) of G.S. 105-312 shall not apply.

SECTION 4. This act is effective when it becomes law. If any provision of this act or its application is held invalid, the invalidity does not affect other provisions or applications of this act that can be given effect without the invalid provisions or application, and to this end the provisions of this act are severable.

In the General Assembly read three times and ratified this the 18th day of July, 2013.

s/ Philip E. Berger
President Pro Tempore of the Senate

s/ Thom Tillis
Speaker of the House of Representatives

s/ Pat McCrory
Governor

Approved 4:37 p.m. this 26th day of July, 2013

Report on the Review of the Mecklenburg County 2011 Revaluation

PEARSON'S
APPRAISAL SERVICE
INCORPORATED

P.O. BOX 3666

WILSON, NC 27893

(804) 560-9200

Fax (804) 560-4344

Presented on November 20, 2012

EXHIBIT

tabbles

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A copy of the Pearson's Appraisal Service, Inc.'s Report on the Review of the Mecklenburg County 2011 Revaluation, with its Exhibits is available at:
<http://charmeck.org/mecklenburg/county/AssessorsOffice/Pages/RevalReview.aspx>

Commercial Neighborhood Findings

Extracted from Pearson's Appraisal's Review of the Mecklenburg County 2011 Revaluation

Commercial Neighborhoods Reviews:

AP01	Acceptable
OF07	Acceptable
CW05	Minor Issues
CC07	Major Issues
OF11	Major Issues
HOTE	Major Issues
OF01	Major Issues
OF10	Major Issues
RE07	Major Issues

Results of Commercial Neighborhoods Reviewed:

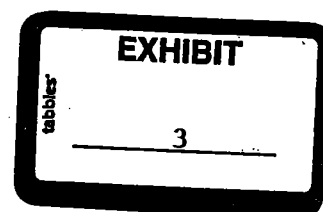
Acceptable	2 Neighborhoods
Minor Issues	1 Neighborhoods
Major Issues	6 Neighborhoods
Total Reviewed	9 Neighborhoods

Determination Grades

Acceptable: The County's overall valuation of the subject neighborhood is satisfactory based on the scope and procedures of our review. The overall equity of the parcels is reasonable and acceptable for January 1, 2011. Any errors we may have discovered were infrequent and limited to the individual parcel level.

Minor Issues: During the review, instances of inequity or erroneous data were discovered. These instances of inequity or incorrect information, by our determination, did not have a major effect on the overall valuation of the neighborhood as a whole.

Major Issues: During the review, instances of inequity or erroneous data were discovered that have a significant impact on the valuation of the neighborhood as a whole. Examples of inequity include but are not limited to missing buildings, additions, out buildings and special building features, and issues of like and similar adjoining parcels having significant differences in land value and other issues that, in our opinion, significantly affect the market value as of January 1, 2011 or the parcel-by-parcel equity of the neighborhood.



Mecklenburg County 2011 Revaluation Review

Pearson's Appraisal Progress

Monday, July 29, 2013

Residential Neighborhood Review

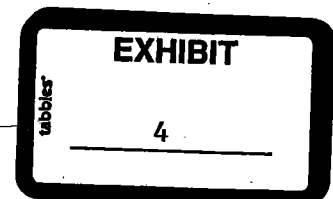
Acceptable	467 Neighborhoods	79,438 Parcels
Major Issues	197 Neighborhoods	68,111 Parcels
Minor Issues	380 Neighborhoods	92,886 Parcels
	1,050 Completed Reviews	

Determination Grades

Acceptable: The County's overall valuation of the subject neighborhood is satisfactory based on the scope and procedures of our review. The overall equity of the parcels is reasonable and acceptable for January 1, 2011. Any errors we may have discovered were infrequent and limited to the individual parcel level.

Minor Issues: During the review, instances of inequity or erroneous data were discovered. These instances of inequity or incorrect information, by our determination, did not have a major effect on the overall valuation of the neighborhood as a whole. Issues pointed out as minor could be addressed by County staff in a reasonable manner as we attempted to pinpoint the inequities or inaccuracies.

Major Issues: During the review, instances of inequity or erroneous data were discovered that have a significant impact on the valuation of the neighborhood as a whole. Examples of this type of issue may include; significant erroneous data on sales used to determine market value for the neighborhood, widespread misapplication of grades/lot values/ neighborhood modifiers, or any other issue that, in our opinion, significantly affects the market value as of January 1, 2011 or the parcel-by-parcel equity of the neighborhood.



Commercial Neighborhood Findings

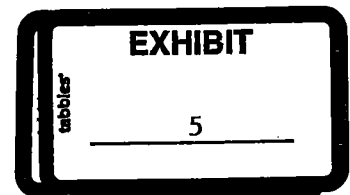
As of Monday, July 29, 2013

Commercial Neighborhoods Reviews:

AP01	Acceptable
OF07	Acceptable
CW05	Minor Issues
CC07	Major Issues
OF11	Major Issues
HOTE	Major Issues
OF01	Major Issues
OF10	Major Issues
RE07	Major Issues
CC09	Acceptable
CO10	Acceptable
CO11	Acceptable
IN01	Major Issues
IN04	Major Issues
IN05	Major Issues
IN06	Major Issues
IN07	Major Issues
IN08	Major Issues
OF02	Acceptable
OF03	Acceptable
OF08	Major Issues
OF09	Major Issues
OF10	Major Issues
OF11	Acceptable
RE02	Major Issues
RE03	Major Issues
RE04	Acceptable
RE05	Major Issues
RE06	Major Issues
RE08	Major Issues
RE10	Major Issues

Results of Commercial Neighborhoods Reviewed:

Acceptable	9 Neighborhoods
Minor Issues	1 Neighborhoods
Major Issues	21 Neighborhoods
Total Reviewed	31 Neighborhoods



Determination Grades

Acceptable: The County's overall valuation of the subject neighborhood is satisfactory based on the scope and procedures of our review. The overall equity of the parcels is reasonable and acceptable for January 1, 2011. Any errors we may have discovered were infrequent and limited to the individual parcel level.

Minor Issues: During the review, instances of inequity or erroneous data were discovered. These instances of inequity or incorrect information, by our determination, did not have a major effect on the overall valuation of the neighborhood as a whole.

Major Issues: During the review, instances of inequity or erroneous data were discovered that have a significant impact on the valuation of the neighborhood as a whole. Examples of inequity include but are not limited to missing buildings, additions, out buildings and special building features, and issues of like and similar adjoining parcels having significant differences in land value and other issues that, in our opinion, significantly affect the market value as of January 1, 2011 or the parcel-by-parcel equity of the neighborhood.