



ARIZONA BOARD OF APPRAISAL

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Phoenix, Arizona 85007
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Email: appraisal@appraisal.state.az.us
Website: www.appraisal.state.az.us

January 9, 2012

ARDETH L. FAIR
72 W. 10th DRIVE
MESA, AZ 85210

Re: Board of Appraisal Case Nos. 2902, 3054, and 3242

Dear Ms. Fair:

As you know, the Board received the above-referenced complaints against you regarding appraisals you performed as set forth below:

2902: 1321 N. Euclid Ave., Tucson, AZ 85719
Single Family Residence
Date of Value: May 3, 2009

3054: 515 Coronado Trail, Sedona, AZ 86336
Single Family Residence
Date of Value: November 14, 2009

3242: 80 Bell Creek Way, Sedona, AZ 86351
Single Family Residence
Date of Value: September 16, 2009

At its December 2, 2011 meeting, the Board met to discuss these cases and at the conclusion of its consideration of the matter, the Board voted to offer you the opportunity to resolve these issues with a Letter of Due Diligence

With respect to case no. 2902, the Board reviewed the complaint, your response thereto, the appraisal, the supporting workfile and the Investigator's Report. The Board concluded that the report contained several errors and omissions including the following: failure to discuss the University of Arizona as a predominant feature of the neighborhood, incorrect assessor's parcel number, incorrect zoning classification, incorrect site size, failure to note the adverse external fact that the subject was located on a busy street, insufficient information regarding the functionality of the attic space with respect to finish/heating/cooling/ceiling height, conflicting information regarding the size of the basement, conflicting effective age/remaining economic life data in the Cost Approach, failure to cite specific sources used for verification of data, citing an outdated

cost data source, and misrepresentation of the prior transfer of Sale 2 as arms length when it was actually foreclosure related. In addition, it was noted that you did not identify relevant property characteristic, including the subject's historical status and its location in a Neighborhood Preservation Zone. Nor did you consider the effect of historical status on value, taxes and marketability. Finally, it was noted that all of the Tucson MLS data contained in the workfile was provided by Thomas Reeb/TR Valuations, who is a certified residential appraiser in Tucson (while you reside in Mesa) but you failed to disclose his assistance in the report or certification.

With respect to case no. 3054, the Board reviewed the complaint, your response thereto, the appraisal, the supporting workfile and the Investigator's Report. The Board concluded that the workfile did not contain site value support, cost data, and/or supporting data for age/life, garage functional obsolescence or data to support the significant adjustments. Further, the Cost Approach did not conform to USPAP requirements and the Cost Approach for the garage at \$20 per square foot and then adjusted downward for functional obsolescence was not credible. There was inadequate description of the subject and no description of the updating changes made to the subject as was evidenced by the photos; nor were the subject's elevated views disclosed. Additionally, some of the sales had obvious and apparent conditional issues. Moreover, you failed to disclose that Sale #2 backed to a two-story apartment complex with balconies looking down on Sale #2. You also omitted the detached studio/office of Sale #3. Overall, there was a failure to support the opinions and conclusion, substantial errors of commission and omission and the use of non-supported adjustments renders the report misleading.

With respect to case no. 3242, the Board reviewed the complaint, your response thereto, the appraisal, and the supporting workfile. The Board concluded that there was a lack of adjustments with respect to comparable sale no. 4. Also, there was personal property that was subject to the contract that you failed to discuss or disclose.

The Board finds that your appraisal development and reporting violate the following standards of the Uniform Standards of Professional Appraisal Practice (USPAP), 2008-2009 edition:

2902

Standards Rule 1-1 (c) and (e)(i) and (iv); Standards Rule 2-2(b)(iii); and Standards Rule 2-3

3054

Standards Rule 1-1 (b); Standard Rule 1-4(b)(i)(ii) and (iii); Standards Rule 2-2(b)(viii); and Standard Ethics Rule--Recordkeeping.

3242

Standards Rule 1-5 (a)

Pursuant to Arizona Administrative Code (AAC) R4-46-31 and the Board's Substantive Policy Statement #1, the Board considers these violations to amount to a Level II

Violation. In lieu of further proceedings, and pursuant to Arizona Revised Statutes (A.R.S.) §32-3632(B) and A.A.C. R4-46-301(C), the Board is willing to resolve these matters with this letter of due diligence, if you successfully complete a fifteen (15) hour course in Report Writing (with an exam) and the seven (7) hour 2012-2013 USPAP update course within six months of its availability. The Report Writing course must be completed within six (6) months from the date of this letter as shown at the top of the first page. A list of approved remedial and disciplinary education courses is on the Board's website for your convenience in locating the appropriate course. The education may not be used toward your continuing education requirements for renewal during your next licensing period except that the 2012-2013 USPAP update course may be used for continuing education renewal purposes. Please recall that the USPAP update course may not be taken through distance education. Proof of successful completion of the required course must be promptly submitted to the Board within fourteen (14) days of taking the coursework.

A letter of due diligence is a disciplinary action and is a matter of public record in your Board file and may be used in any future disciplinary proceedings.

By signing below, you acknowledge that you have read and understand this letter of due diligence. You have the right to consult with legal counsel regarding this matter, and have done so or choose not to do so.

By signing this letter of due diligence, you are voluntarily relinquishing your right to an informal hearing, formal hearing, and judicial review in state or federal court with regard to the matter herein.

Upon signing this letter of due diligence and returning it to the Board, you may not revoke acceptance of this letter of due diligence. In addition, you may not make any modifications to this letter of due diligence. Any modifications to this letter of due diligence are ineffective and void unless mutually approved by you and the Board.

If any part of this letter of due diligence is later declared void or otherwise unenforceable, the remainder of the letter of due diligence in its entirety shall remain in force and effect.

If you fail to comply with the terms of this letter of due diligence, the Board may properly institute proceedings for noncompliance, which may result in suspension, revocation, or other disciplinary and/or remedial actions. By signing this letter of due diligence you are agreeing that any violation of this letter of due diligence is a violation of A.R.S. § 32-3631(A)(8), which is willfully disregarding or violating any of the provisions of the Board's statutes or the rules of the Board for the administration and enforcement of its statutes.

If you agree to accept this letter of due diligence, please execute this document by your signature below. Please return the original signed document to the Board at 1400 W. Washington, Suite 360, Phoenix, Arizona 85007, on or before January 30, 2012. If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

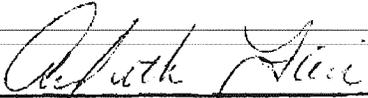
Ms. Ardeth L. Fair
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Sincerely,

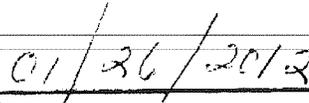


Dan Pietropaulo
Executive Director

ACKNOWLEDGED AND AGREED



Ardeth L. Fair, Respondent



Date

c: Jeanne M. Galvin, Assistant Attorney General

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