ARIZONA BOARD OF APPRAISAL

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ARIZONA BOARD OF APPRAISAL

May 16, 2011

Ms. Adele D. Lindquist
2730 W. Bovino Way
Tucson, AZ 85741

Re: Board of Appraisal Case Nos. 3037, 3038 and 3039

Dear Ms. Lindquist:

As you know, the Board received the above-referenced complaints against you regarding your appraisal of the following properties:

3037: 1752 N. Painted Hills Road
Tucson, AZ 85745

3038: 12825 N. Steamboat Drive
Marana, AZ 85653

3039: 7531 E. Calle Los Arboles
Tucson, AZ 85750

At its May, 2010, meeting the Board voted to offer you the opportunity to resolve these matters with a Letter of Due Diligence.

In addressing these matters, the Board reviewed the complaints, your responses thereto, the appraisals, and the supporting workfiles.

With respect to Complaint No. 3037, the Board concluded that you used distant sales on larger sites in the appraisal report despite the availability of recent comparable sales in closer proximity to the subject on similar sized sites. Also, the subject was noted to be in a declining market; however you failed to make any time adjustments to the comparable sales. In addition to three settled sales, an appraiser is required to include a minimum of two active listings or pending sales on the appraisal grid. Your appraisal report contained only one listing and it was not adjusted to reflect list to sale price ratios for the market. Moreover, the seller paid costs of $3,000 per the sales contract but you did not report this concession. With respect to the subject's GLA, the lower level of the subject improvements is partially below grade and the area was included in the GLA but you made no disclosure of this fact and no comment was made regarding similarity, if any, with the comparable sales. At the time of inspection, the subject property was

vacant but you failed to indicate whether the utilities were on and whether the various systems were functioning properly.

With respect to Complaint No. 3038, the Board found that the subject neighborhood was noted to be in a declining market of approximately 24% over the past 12 months per figures in the 1004MC, however, no time adjustments were made to the comparable sales. In addition to three settled sales, an appraiser is required to include a minimum of

two active listings or pending sales on the appraisal grid. Your appraisal report contained only one listing and no pending sales. Moreover, the seller paid costs of $3,000 per the sales contract but you did not report this concession. At the time of inspection, the subject property was vacant but you failed to indicate whether the utilities were on and whether the various systems were functioning properly. Finally, the incorrect closing date was reported for Comparable Sale no. 1 (4/09 versus 3/09) and the site size for Comparable No. 2 was also incorrectly reported (6,100 sq. ft versus 7,216 sq. ft.)

With respect to Complaint No. 3039, the Board noted that all adjustments must be extracted from and supported by the actions of the market. No sales with similar bath amenities (Jacuzzi tub and steam shower) were provided or cited in the appraisal report to support the bath adjustments made to the comparables sales, therefore, the adjustment was not extracted from the market. Finally, at the time of inspection, the subject property was vacant but you failed to indicate whether the utilities were on and whether the various systems were functioning properly.

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:

3037: Standards Rule 1-1(a); Standards Rule 1-2(h); Standards Rule 1-4(a) and (b)(iii); Standards Rule 1-5(a); Standards Rule 2-2(b), (b)(iii) and (b)(viii(); and Scope of Work—Acceptability

3038: Standards Rule 1-2(h); Standards Rule 1-4(a); and (b)(iii); Standards Rule 1-5(a) Standards Rule 2-2(b) and (b)(viii(); and Scope of Work--Acceptability

3039: Standards Rule 1-1(a); Standards Rule 1-2(h); and Scope of Work---Acceptability

Pursuant to Arizona Administrative Code (A.A.C.) R4-46-301 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 this matter with a letter of due diligence, if you agree to remedy these violations through exercising greater due diligence **by successfully completing not less than seven (7) hours Cost Approach; seven (7) hours Sales Comparison Approach and seven (7) hours of FHA. If you have successfully completed the seven (7) hours in FHA within the previous six months from the date of this letter, please submit the certificate to the Board as satisfaction of this requirement.**

The coursework 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(s). Please note that the education obtained pursuant to this Order **may not be** used toward your continuing education requirements for renewal during your next licensing period.

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 proceeding.

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 matters 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 **June 15, 2011.** If you do not return this original document on or before the specified date, the Board may conduct further proceedings.

Sincerely,

Daniel Pietropaulo
Executive Director

ACKNOWLEDGED AND AGREED

Adele D. Lindquist, Respondent

Date 6/6/11

c: Jeanne M. Galvin, Assistant Attorney General