

**REAL ESTATE APPRAISAL REVIEW  
Of  
Five Before and After Appraisals  
conducted by  
John Lo Monte  
In March & April 2021  
Of 5200, 5060, 5061, 5036 and 5051  
Ridge Road, North Haven, CT**

PREPARED FOR SUBMISSION TO:

North Haven Planning and Zoning Commission  
Town Hall Annex  
5 Linsley Street  
North Haven, CT 06473

DATE OF REVIEW:

July 27, 2021

PREPARED BY:

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R. Bruce Hunter, MAI

July 27, 2021

North Haven Planning and Zoning Commission  
Town Hall Annex  
5 Linsley Street  
North Haven, CT 06473

Re: Real Estate Appraisal Review of Five Before and After Appraisals  
conducted by John Lo Monte  
In March & April 2021  
Of 5200, 5060, 5061, 5036 and 5051  
Ridge Road, North Haven, CT

Dear Commissioners:

At the request of the Slate School, we have examined five before and after appraisals conducted by John Lo Monte [referred to within this review report as "Lo Monte"] in March & April 2021 of 5200, 5060, 5061, 5036 and 5051 Ridge Road, North Haven, CT to determine if the Lo Monte appraisals meet the pertinent requirements of Standard Rules 1 and 2 of the 2020-2021 Edition of USPAP

Additionally, within a parallel report written this date, we have conducted research and analyses for the purpose of determining the impact, if any, on adjoining and nearby residential property values if approvals are granted for the proposed private Slate Upper School (Grades 7-12) comprising 2, 2-story buildings totaling 18,985 SF on 2.966 acres at 5100 Ridge Road.

Our client for this assignment is Slate School. Anticipated users of this appraisal review include members of the North Haven Planning and Zoning Commission.

My scope of work included:

- Reading the Lo Monte appraisals and comparing the contents of each report with the requirements set forth in the 2020-2021 Edition of USPAP.
- I conducted an exterior (street) inspection of the properties which were the subject of the Lo Monte appraisals. I did not enter onto any of the properties.
- I did not interview the appraiser(s) nor other protagonists regarding this valuation issue.
- I read and listened to all the Lo Monte testimony provided to the Commission regarding this matter.
- I have not inspected the comparable sales used in the Lo Monte reports, nor did I formally verify them.
- I have formed an opinion as to whether the analyses are appropriate within the context of the applicable requirements.
- I have formed an opinion as to completeness, accuracy, adequacy, relevance, and reasonableness of the analysis in the work under review.
- I have formed an opinion as to whether the opinions and conclusions are credible within the context of the requirements applicable to that work; and
- I have developed the reasons for any disagreement.

It is possible that additional investigation would have uncovered more issues that merit discussion.

A credible value impact appraisal requires: 1) the collection of relevant market data; 2) an analysis of that data utilizing at least one of the recognized appraisal methods; 3) a determination of the damages, if any, caused by a detrimental condition as measured by impaired and unimpaired values, and 4) compliance with the Uniform Standards of Professional Appraisal Practice.

A neighborhood impact study is a process where an appraiser reviews an existing or proposed use to determine if that use may or may not have a detrimental impact on property values.

Ideally, the appraiser should perform a paired-sales analysis, where sale prices of single-family residences surrounding similar private upper/high schools are examined and compared to the sale prices of comparable single-family residences which are not in close proximity to a similar private upper/high school use.

The measure of the effect or damages (if any) of the proposed use is the difference between having that use nearby or not having it nearby.

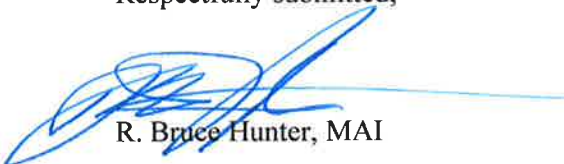
As discussed further, the Lo Monte appraisals came to conclusions as to the current (before school) market value of each property, however, there is no evidence of research conducted or data analyzed within the Lo Monte appraisals which proves his contention of value impact(s).

In summary, it is my opinion that the (after school) analyses within the Lo Monte appraisals lack any underlying data and are not appropriate within the context of the applicable USPAP requirements. If appropriate research had been completed by Lo Monte, it would have been discovered that there is no evidence in the marketplace that diminution in value to single family dwellings is caused by proximity to high-quality public or high-quality private K-12 school uses. (Please see our research and conclusions in our parallel submitted neighborhood impact report)

Therefore, the research and analyses within the Lo Monte appraisals were not adequate, relevant or accurate. The resultant opinions and conclusions within the Lo Monte appraisals are not credible nor reasonable.

The following narrative appraisal review report summarizes our analysis. This letter is part of the overall document and is invalid if detached from the overall review report.

Respectfully submitted,



R. Bruce Hunter, MAI

**TABLE OF CONTENTS**

**PAGE**

**INTRODUCTION..... 5**

**LO MONTE APPRAISAL REVIEW..... 6**

**CONCLUSION..... 15**

**CERTIFICATION OF THE REVIEWER ..... 16**

**ASSUMPTIONS AND LIMITING CONDITIONS ..... 17**

**QUALIFICATIONS OF THE APPRAISER..... 18**

**ADDENDA..... 21**

## INTRODUCTION

<b>Reviewer's Client</b>	Our client for this assignment is Slate School. Anticipated users of this appraisal review include members of the North Haven Planning and Zoning Commission.
<b>Intended use of the Reviewer's Opinions and Conclusions</b>	It is our understanding that the intended use of this appraisal review report is for consideration by members of the North Haven Planning and Zoning Commission.
<b>Purpose of the Review Assignment</b>	The purpose of my review assignment is to determine whether the Lo Monte appraisals meet the pertinent requirements of Standard Rules 1 and 2 of the 2020-2021 Edition of USPAP.
<b>Ownership Interest in property under review</b>	5036 Ridge Road – Fee Simple owned by Ridge Road Enterprises I & II 5051 Ridge Road – Fee Simple owned by Albert Perrino et al 5060 Ridge Road – Fee Simple owned by Mame, LLC 5061 Ridge Road – Fee Simple owned by Richard Mangi et al 5200 Ridge Road – Fee Simple owned by Gary Desimone et al
<b>Scope of Work Performed by the Reviewer</b>	<p>The scope of work of this review has been previously described in the Letter of Transmittal.</p> <p>As the Lo Monte appraisals were completed in 2021, the 2020-2021 edition of USPAP was in effect and the appraisals review has been analyzed in the context of the requirements in effect at that time.</p>
<b>Date of Work &amp; effective dates under Review</b>	<p>The Lo Monte appraisals are dated:</p> <p>5036 Ridge Rd – Date of report: 04/12/21; Effective Valuation Date: 04/10/21 5051 Ridge Rd – Date of report: 04/11/21; Effective Valuation Date: 04/10/21 5060 Ridge Rd – Date of report: 03/19/21; Effective Valuation Date: 03/17/21 5061 Ridge Rd – Date of report: 04/09/21; Effective Valuation Date: 04/05/21 5200 Ridge Rd – Date of report: 03/19/21; Effective Valuation Date: 03/17/21</p> <p># 5060 and 5200 Ridge Road appraisals were presented in one report</p>

**LO MONTE APPRAISAL REVIEW**

Although Lo Monte produced five Before and After valuations within four reports (5060 and 5200 Ridge Road appraisals were presented in one report), each appraisal was essentially a repeat of the next, except for characteristics distinguishing each property. Therefore, the following comments are applicable to each of the submitted appraisals, unless noted otherwise.

As may be seen on the checklist below and included on the following page, the Lo Monte appraisal reports initially met many of the development and reporting standards of the 2020-2021 USPAP when conducting the Before valuation. The checklist has a red “F” indicating the failure(s) of Lo Monte to comply with the various component parts of the Standard Rules pertaining to the reporting and development of a real property appraisal, in which he has failed to act in an independent, objective and impartial manner and failed to research and to include relevant data and analyses to arrive at a supportable After value for each property. A blue “✓” indicates compliance with the pertinent parts of the Standard Rules. “NA” indicates the part(s) of the Standard Rules not applicable to the valuation problem.

**SCOPE OF WORK RULE**

**For each appraisal assignment, an appraiser must:**

- 1. Identify the problem to be solved;**
- 2. Determine and perform the scope of work necessary to develop credible assignment results; and**
- 3. Disclose the scope of work in the report.**

<b>Problem Identification: The Appraiser must gather and analyze information about the assignment elements that are necessary to properly identify the appraisal problem to be solved. Did the appraiser identify:</b>	<b>✓ - NA - F</b>
• The client and any other intended users;	<b>No - F</b>
• Intended use of the appraiser’s opinions and conclusions;	<b>No - F</b>
• Type and definition of value;	<b>Yes - ✓</b>
• Effective date of the appraiser’s opinions and conclusions;	<b>Yes - ✓</b>
• Subject of the assignment and its relevant characteristics;	<b>Yes - ✓</b>
• Assignment conditions. Assignment conditions include assumptions, extraordinary assumptions, hypothetical conditions, laws and regulations, jurisdictional exceptions, and other conditions that affect the scope of work. Laws include constitutions, legislative and court-made law, administrative rules, and ordinances. Regulations include rules or orders, having legal force, issued by an administrative agency	<b>Yes - ✓</b>

<b>Scope of Work Acceptability: The Scope of Work is acceptable when it meets or exceeds the expectations of parties who are regularly intended users for similar assignments; and are what an appraiser’s peers’ actions would be in performing the same or a similar assignment.</b>	<b>✓ - NA - F</b>
Did the appraiser’s scope of work include the research and analyses that were necessary to develop credible assignment results?	<b>No - F</b>
Did the appraiser support the decision to exclude any investigation, information, method, or technique that would appear relevant to the client, another intended user, or the appraiser’s peers?	<b>No - F</b>
Did the appraiser allow assignment conditions to limit the scope of work to such a degree that the assignment results are not credible in the context of the intended use?	<b>Yes - F</b>

<b>Disclosure Obligations: Proper disclosure is required because clients and other intended users rely on the assignment results.</b>	<b>✓ - NA - F</b>
Did the appraiser provide sufficient information to allow the intended users to understand the scope of the work performed?	<b>No - F</b>

Source	USPAP 2-2(a) Checklist - Reporting Requirements for Appraisal Reports (2020-2021 USPAP)	✓ - NA - F
1-1(a)	Be aware of, understand, & correctly employ recognized appraisal methods & techniques	F
1-1(b)	Not commit a substantial <b>error of omission</b> / commission that significantly affects an appraisal	F
1-1(c)	Not render services in a careless/negligent manner, such that a series of errors that, considered individually, may not significantly affect the results, but aggregately, affects credibility of those results	F
1-2(a)	Identify Client and other Users	✓ & F
1-2(b)	Identify Intended Use of Appraiser's opinions and conclusions	F
1-2(c)	Identify type and defin. of value; Define value, if MV (1) cash; (2) equivalent to; or (3) precisely defined terms & state contribution Include Exposure Time Opinion if a component for Value opinion developed	✓
1-2 (d)	Identify Effective Date of the appraiser's opinions and conclusions	✓
1-2(e)	ID Property: location, physical, legal & economic attributes; real property interest; Consider effect on value of personal property, trade fixtures or intangibles included in appraisal; Consider easements, restrictions, encumbrances, leases, reservations, covenants, contracts, etc.; Consider whether subject property is a fractional interest, physical segment, or partial holding.	✓
1-2(f-g)	Identify Extraordinary Assumptions and/or Hypothetical Conditions necessary in the assignment Is it required to develop credible opinions/conclusions?; Reasonable Basis?; disclosure when used?	✓
1-2(h)	Determine <b>scope of work</b> necessary to complete assignment (See Scope of Work Rule, p 13)	F
1-3	When necessary for credible assignment results, in developing a Market Value opinion, an appraiser must:	
1-3 (a)	Identify and analyze effect on use and value of existing land use regulations, modifications of, economic supply & demand, physical adaptability of the real estate, market trends,	✓
1-3(b)	Develop an opinion of the highest and best use of the real estate. Must analyze relevant legal, physical, & economic factors to support highest and best use opinion	✓✓
1-4	Collect, verify, and analyze all information necessary for credible results:	F
1-4 (a)	<b>When</b> Sales Comparison Approach is <b>necessary</b> , analyze such sales data as are available	F
1-4 (b)	<b>When</b> Cost Approach is <b>necessary</b> , (i)Value the site by an appropriate method; (ii) analyze cost data; & (iii) analyze data to estimate accrued depreciation	NA
1-4(c)	<b>When</b> Income Capitalization Approach is <b>necessary</b> , (i) rental data; (ii) expense data; (iii) capitalization or discount rates; and (iv) base projections of future rent & expenses on reasonably clear & appropriate evidence	NA
1-4(d)	When leased fee or leasehold estate: consider terms & conditions and effect on value of the lease(s)	NA
1-4(e)	Consider value, if any, of assemblage & refrain from estimating the value of whole solely by adding individual values	NA
1-4(f)	Consider effect on value of anticipated public or private improvements, located on or off site	✓ - F
1-4(g)	Analyze effect on value of any personal property, trade fixtures, or intangible items if included in appraisal	NA
1-5(a)	Analyze current Agreement of Sale, option, or listing if available in the normal course of business	NA
1-5(b)	Analyze any prior sales of subject within 3 yrs. prior to effective date of appraisal	NA
1-6(a)	Reconcile the quality & quantity of data available & analyzed within approaches used	F
1-6(b)	Reconcile the applicability and relevance of the approaches, methods & techniques used to arrive at the value conclusion(s)	✓
2-1(a)	Clearly & accurately set forth the appraisal in a manner that will not be <b>misleading</b>	F
2-1(b)	Contain sufficient info to enable <b>intended users</b> to understand it properly	F
2-1 (c)	Clearly & accurately disclose any Extraordinary Assumption; Hypothetical Condition; or limiting condition	✓
2-2	Prominently <b>state</b> the reporting option used (Appraisal Report, or Restricted Appraisal Report)	✓
2-2 (a)(i)	<b>State</b> identity of Client and Intended Users, by name or type , unless requested not to Identify in report	F
2-2(a) (ii)	<b>State</b> intended use of appraisal	F
2-2 (a)(iii)	<b>Summarize</b> info. sufficient to identify real estate involved including physical, legal and economic characteristics relevant to the assignment	✓
2-2 (a)(iv)	<b>State</b> the real property interest appraised	✓
2-2 (a)(v)	<b>State</b> type and definition of value and cite source	✓
2-2 (a)(vi)	<b>State</b> the effective date of the appraisal & of the report	✓
2-2 (a)(vii)	<b>Summarize</b> sufficient info. to disclose to client and any intended users the <b>scope of work</b> used to develop appraisal (The extent of the process of collecting, confirming, and reporting data)	F
2-2 (a)(viii)	<b>Summarize</b> the info analyzed, appraisal methods & techniques employed, & reasoning that supports the analyses/opinions/conclusions. Exclusion of appraisal methods must be explained. Must contain sufficient information to allow for understanding by client & intended users to understand rationale, including reconciliation of data & approaches. Analyze prior sale(s), options, listings, etc., if available in normal course	F
2-2 (a)(ix)	<b>State</b> use of the real estate existing as of date of value and the use of real estate reflected in the appraisal	✓
2-2 (a)(x)	When opinion of highest and best use was developed by the appraiser, <b>Summarize</b> the support and rationale for that opinion	✓
2-2 (a)(xi)	Clearly and Conspicuously: <b>State</b> all assumptions, hypothetical conditions, & limiting conditions: <b>State</b> that their use might have affected assignment results	✓
2-2 (a)(xii)	Include a signed certification in accordance with SR 2-3	
2-3	I Certify that... the statements of fact are true & correct	✓
	• The analysis, opinions, conclusions are limited only by the assumptions & limiting conditions & are my personal, impartial, unbiased professional analyses, opinions & conclusions	✓
	• No present or prospective interest in the property or interest/bias to parties / Any services w/in 3 years?	✓
	• Engagement / Compensation not contingent / Opinions & report per USPAP	✓
	• Have or have not made a personal inspection / Significant professional assistance	✓
STMT 6	<b>State</b> the reasonable exposure time [is linked in STMT 6 to the comments in 1-2(c) & 2-2(a)(v)]	✓



**LO MONTE APPRAISAL REVIEW** (continued)

The following is a listing of the reporting requirements set forth in USPAP 2020-2021 Edition Standard 1 Real Property Appraisal, Development. Within each section (box) is an analysis as to whether or not the underlying Lo Monte appraisals have met applicable minimum USPAP reporting requirements under Standard Rule 1.

**SR 1 Real Property Appraisal Development**

**SR 1-1 In developing a real property appraisal, an appraiser must:  
(a) be aware of, understand, and correctly employ those recognized methods and techniques that are necessary to produce a credible appraisal;**

The Lo Monte appraisals failed to correctly employ those recognized methods and techniques that are necessary to produce credible appraisals. (see following comments pertaining to the After Valuation scenarios)

**SR 1-1 (b) not commit a substantial error of omission or commission that significantly affects an appraisal;**

A substantial error of omission/commission was committed in the Lo Monte appraisals by not having conducted the necessary research in the marketplace for “impacted” vs “Non-Impacted” sales. There is no evidence of research conducted or data analyzed within the appraisals that could prove or disprove the Lo Monte contention of value impact(s).

**SR 1-1(c) ) not render appraisal services in a careless or negligent manner, such as by making a series of errors that, although individually might not significantly affect the results of an appraisal, in the aggregate affects the credibility of those results;  
This Standards Rule requires an appraiser to use due diligence and due care**

Lo Monte rendered appraisal services with a series of errors that affected the credibility of the results. Lo Monte failed to do independent research with multiple sources to determine impact, if any.

**Standards Rule 1-2, In developing a real property appraisal, an appraiser must:**

**SR 1-2(a) identify the client and other intended users**

The Lo Monte appraisal identified the identity of the clients, yet was vague as to who other intended users could be



LO MONTE APPRAISAL REVIEW (continued)

SR 1-2(b) identify the intended use of the appraiser's opinions and conclusions; An appraiser must not allow the intended use of an assignment or a Client's objectives to cause the assignment results to be biased

Yet, all of the Lo Monte appraisal reports included statements such as ...*"I have prepared the following appraisal report to estimate the negative impact resulting as to market value, or in the 'after'.* (sic. first PP, second page of each report, **bolded emphasis** added).

The above and similar statements such as **"this is what I have done and this is what they hired me to do"** (07/12 hearing, Lo Monte oral testimony starting at 2 hours, 51 min and 2 seconds), gives the appearance to a reader of the reports, and listening to oral representations, that the appraiser was not conducting his work in a manner as required by the Conduct Section of the Ethics Rule on p. 7 of the 2020-2021 USPAP which is to be to be independent, impartial and objective.

USPAP requires that all appraisers *"must not perform an assignment with bias"* and *"must not advocate the cause or interest of any party or issue"* (2020-2021 USPAP, p 7, lines 188-189)

Therefore, it appears that Lo Monte has failed to approach the valuation assignments in an independent, impartial and objective manner.

SR 1-2(c) identify the type and definition of value;

The Lo Monte appraisal reports identifies and defines market value in the analysis.

SR 1-2(d) identify the effective date of the appraiser's opinions and conclusions;

Lo Monte did identify the effective date of the appraiser's opinions and conclusions in each appraisal.

LO MONTE APPRAISAL REVIEW (continued)

SR 1-2(e) identify the characteristics of the property that are relevant to the type and definition of value and intended use of the appraisal, including:  
(i) its location and physical, legal, and economic attributes

The Lo Monte appraisal report included maps, assessor's map/block/lot reference, photographs, and references to the legal description of each subject property sufficient to locate and identify the property.

SR 1-2(e) (ii) the real property interest to be valued

Lo Monte identifies that the real property interest to be valued is fee simple estate.

SR 1-2(e) (iv) any known easements, restrictions, encumbrances, leases, reservations, covenants, contracts, declarations, special assessments, ordinances, or other items of a similar nature;

Not specifically discussed.

SR 1-2(f) identify any extraordinary assumptions necessary in the assignment;  
An extraordinary assumption may be used in an assignment only if:

- it is required to properly develop credible opinions and conclusions;
- the appraiser has a reasonable basis for the extraordinary assumption;
- use of the extraordinary assumption results in a credible analysis; and
- the appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions

The Lo Monte appraisal reports did disclose a reasonable Assumption that the school was in place as of the date of After value:

SR 1-2(h) determine the scope of work necessary to produce credible assignment results in accordance with the SCOPE OF WORK RULE ;

As outlined earlier on page 6, it is my opinion that the Lo Monte appraisal report **fails to comply with the SCOPE OF WORK RULE** and is not credible.

SR 1-3 When necessary for credible assignment results in developing a market value opinion, an appraiser must:

(a) identify and analyze the effect on use and value of existing land use regulations, reasonably probable modifications of such land use regulations, economic supply and demand, the physical adaptability of the real estate, and market area trends;

The Lo Monte appraisal did discuss these items.

**LO MONTE APPRAISAL REVIEW** (continued)

SR 1-3(b) develop an opinion of the highest and best use of the real estate;

**Comment:** An appraiser must analyze the relevant legal, physical, and economic factors to the extent necessary to support the appraiser's highest and best use conclusion(s).

The highest and best use of residential use was discussed in each report

SR 1-4 In developing a real property appraisal, an appraiser must collect, verify, and analyze all information necessary for credible assignment results;

The exclusion of the Cost Approach and the Income Capitalization Approach are explained as not applicable in the reports and these approaches are not utilized in the assignment.

(a) When a sales comparison approach is necessary for credible assignment results, an appraiser must analyze such comparable sales data as are available to indicate a value conclusion.

Each Lo Monte report describes the Sales Comparison Approach in the Before valuation scenario and applies an unusual unit of comparison of price per Square Foot of building area and using percentage adjustments. The more typical unit of comparison used by competent Residential appraisers in the Connecticut marketplace is gross selling price, with adjustments made in discrete dollar amounts.

All the Lo Monte appraisals include the following quote describing generally accepted appraisal procedures pertaining to this appraisal problem from **Real Estate Damages**, An Analysis of Detrimental Conditions, By Randall Bell, MAI, as Published by the Appraisal Institute in 1999.

"The Sales Comparison Approach utilizes market data with and without the detrimental condition. This approach may not always be easy to apply because of the difficulty of finding relevant market data, but it still is a very strong approach in quantifying the value issues in a detrimental conditions assignment."....

**"If a legitimate detrimental condition exists, there will likely be a measurable and consistent difference between the two sets of market data; if not, there will likely be no significant difference between the two sets of data."** (Bolded emphasis added, pgs 19-20)

Yet, nowhere within the Lo Monte reports (or within his testimony) is any evidence of even an attempt to find "*market data with and without the detrimental condition*" The failure to look for and to analyze sales with and without proximity in this case to similar schools is a serious deficiency within the Lo Monte appraisals.

If appropriate research had been completed by Lo Monte, it would have been discovered that there is no evidence in the marketplace (or, no significant difference between the two sets of data) that diminution in value to single family dwellings is caused by proximity to high-quality public or high-quality private K-12 school uses. (Please see our research and conclusions in our parallel neighborhood impact report)

Substituting the failure to conduct appropriate market research with the appraiser's stated: "my adjustments are my Judgement/Opinions based on my many years of experience" is a serious deficiency of the Lo Monte appraisals and serves to grossly mislead the readers of the reports.

Therefore, Lo Monte failed to collect, verify, and analyze appropriate information necessary for credible assignment results.

**LO MONTE APPRAISAL REVIEW** (continued)

SR 1-6 In developing a real property appraisal, an appraiser must:

(a) reconcile the quality and quantity of data available and analyzed within the approaches used;

The Lo Monte appraisal came to reconciled conclusions within the Sales Comparison Approach, which is essentially the rounded average of all the comparable sales unit prices per square foot of building area to include land, after adjustments.

SR 1-6 (b) reconcile the applicability and relevance of the approaches, methods and techniques used to arrive at the value conclusion

The Lo Monte appraisal report did reconcile the applicability and relevance of the approaches, methods and techniques.

**LO MONTE APPRAISAL REVIEW** (continued)

The following is a listing of the reporting requirements set forth in USPAP 2020-2021 Edition Standard 2 Real Property Appraisal, Reporting. Within each section (box) is an analysis as to whether or not the underlying Lo Monte appraisals have met applicable minimum USPAP reporting requirements under Standard Rule 2.

**SR 2 Real Property Appraisal Reporting**

**SR 2-1 Each written or oral real property appraisal report must:**

- (a) clearly and accurately set forth the appraisal in a manner that will not be misleading;
- (b) contain sufficient information to enable the intended users of the appraisal to understand the report properly;

The Lo Monte appraisal reports consisted of a series of conclusions with insufficient data, information, or analysis to support the conclusions given. Therefore, the Lo Monte reports are both incomplete and misleading, having failed to meet reporting Standards **SR 2-1(a)** and **SR 2-1(b)**

- (c) clearly and accurately disclose all assumptions, extraordinary assumptions, hypothetical conditions, and limiting conditions used in the assignment

The Lo Monte appraisal reports did disclose a reasonable Assumption that the school was in place under the After valuation scenario. The Lo Monte appraisal reports complied with these disclosure requirements.

**SR 2-2 Each written real property appraisal report must be prepared under one of the following options and prominently state which option is used: Appraisal Report or Restricted Appraisal Report**

The Lo Monte appraisal reports did prominently state the reporting option used (Appraisal Report).

**SR 2(a) (i) state the identity of the client and any intended users, by name or type;**

The Lo Monte appraisal identified the identity of the clients, yet was vague as to who other intended users could be.

**SR 2(a) ii. state the intended use of the appraisal;**

As discussed on Page 9 of this review report, all the Lo Monte reports include statements such as ...“, *I have prepared the following appraisal report to estimate the negative impact resulting as to market value, or in the ‘after’.* (sic. first PP, second page of each report, **bolded emphasis** added).

The above and similar oral statements give the appearance that the appraiser was not conducting his work in a manner as required by the Conduct Section of the Ethics Rule on p. 7 of the 2020-2021 USPAP which is to be to be independent, impartial and objective.

**LO MONTE APPRAISAL REVIEW** (continued)

SR 2(a) iii. summarize information sufficient to identify the real estate or personal property involved in the appraisal, including the physical, legal and economic property characteristics relevant to the assignment;

The Lo Monte appraisals included maps, assessor's map/block/lot reference, photographs, and references to the legal description of each subject property sufficient to locate and identify the property.

SR 2(a) iv. state the property interest appraised;

The Lo Monte appraisal report states the property interest (fee simple estate).

SR 2(a) v. state the type and definition of value and cite the source of the definition;

The Lo Monte appraisal report states the type and definition of value and cites the source of the definition.

SR 2(a) vi. state the effective date of the appraisal and the date of the report;

The Lo Monte appraisal reports states the effective date of the appraisals and the date of the reports.

SR 2(a) vii. summarize the scope of work used to develop the appraisal;

The Lo Monte appraisal reports do summarize the scope of work used to develop the appraisals in the Before School valuation scenario.

The Lo Monte appraisal scope of work for this damage assessment assignment is lacking as nowhere within the Lo Monte reports (or within his testimony) is any evidence of even an attempt to find "*market data with and without the detrimental condition*" The failure to look for and to analyze sales with and without proximity in this case to similar schools is a serious deficiency within the Lo Monte appraisals.

SR 2(a) viii. summarize the information analyzed, the appraisal methods and techniques employed, and the reasoning that supports the analyses, opinions, and conclusions; exclusion of the sales comparison approach, cost approach, or income approach must be explained;

The exclusion of the Cost Approach and the Income Capitalization Approach are explained as not applicable and these approaches are not utilized in the assignment.

Lo Monte failed to collect, verify, and analyze appropriate information necessary for credible assignment results using the Sales Comparison Approach.

**LO MONTE APPRAISAL REVIEW** (continued)

SR 2(a) ix. state the use of the property existing as of the date of value and the use of the real estate or personal property reflected in the appraisal;

The Lo Monte appraisal reports states that the appraised properties existing as of the date of value consist of residential dwellings.

SR 2(a) x. when an opinion of highest and best use or the appropriate market or market level was developed by the appraiser, summarize the support and rationale for that opinion;

Highest and best use was discussed in each appraisal.

SR 2(a) xi. clearly and conspicuously state all extraordinary assumptions and hypothetical conditions; and that their use might have affected the assignment results;

The Lo Monte appraisal report did disclose an Assumption that the After valuation scenarios assumed that the school was in existence.

SR 2(a) xii. include a signed certification in accordance with Standards Rule 2-3.

The Lo Monte appraisal report includes a signed certification in accordance with SR 2-3.

**CONCLUSION**

In summary, it is my opinion that the (after school) analyses within the Lo Monte appraisals lack any underlying data and are not appropriate within the context of the applicable USPAP requirements. If appropriate research had been completed by Lo Monte, it would have been discovered that there is no evidence in the marketplace that diminution in value to single family dwellings is caused by proximity to high-quality public or high-quality private K-12 school uses. (Please see our research and conclusions in our parallel submitted neighborhood impact report)

Therefore, the research and analyses within the Lo Monte appraisals were not adequate, relevant or accurate. The resultant opinions and conclusions within the Lo Monte appraisals are not credible nor reasonable.



## **CERTIFICATION OF THE REVIEWER**


The undersigned does hereby certify that, except as otherwise noted to the best of my knowledge and belief:

1. I have no present or prospective interest in the property that was the subject of the work under review and no personal interest with respect to the parties involved. I have no bias with respect to the property that is the subject of the work under review or to the parties involved with this assignment.
2. I have not performed appraisal or any other services, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
3. I will not reveal the findings and results of this review to anyone other than the proper officials of the client until authorized by said officials to do so or until required to do so by due process of law.
4. The statements of fact and data contained in this review, upon which the analyses, opinions, and conclusions expressed herein are based, are true and correct. No pertinent facts or information have been knowingly overlooked.
5. The analyses, opinions, and conclusions in this review report are limited only by the assumptions and limiting conditions stated in this review report, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
6. My analyses, opinions, and conclusions were developed and this review report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice as well as the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
7. No one provided significant professional assistance to the appraiser signing this certification.
8. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
9. My compensation is not contingent on an action or event resulting from the analyses, opinions, or conclusions in, or the use of, this review report.
10. The appraiser has both the knowledge and experience necessary to complete this appraisal review assignment competently. Please refer to the Qualifications section for the educational and professional background, areas of expertise, and licensing certification status of the appraiser.
11. I have made a personal exterior-only (street) inspection of the subject properties of the work under review. I did not interview the appraisers who wrote the report(s) under review.

Standard Form Restriction Upon Disclosure and Use:

- Disclosure of the contents of this appraisal report review is governed by the By-Laws and Regulations of the Appraisal Institute which allow for review of the report by duly authorized representatives of the Appraisal Institute.
- Neither all nor any part of the contents of this report review (especially any conclusions as to value, the identity of the appraiser or the firm with which he is connected, or any reference to the Appraisal Institute or to the MAI or SRA designation) shall be disseminated to the public through advertising media, public relations media, news media, sales media, or any other public means of communication without the prior written consent and approval of the undersigned.

As of the date of this review report, I have completed the requirements of the continuing education program of the Appraisal Institute.



\_\_\_\_\_  
R. Bruce Hunter, MAI  
Certified General Appraiser  
Lic. No. RCG 0297; Exp. 4/30/22

## ASSUMPTIONS AND LIMITING CONDITIONS

1. No investigation of title to the property has been made, and the premises are assumed to be free and clear of all deeds of trust, use restrictions and reservations, easements, cases or actions pending, tax liens, and bonded indebtedness, unless otherwise specified. No responsibility for legal matters is assumed. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, unless otherwise specified.
2. A request was made for all pertinent information regarding the subject property for the purpose of this valuation. The request included any and all existing or potential leases; listings, offers to purchase, contracts, or options that may encumber the property; and any other data deemed relevant to this analysis. The valuation contained herein reflects all such information received.
3. The maps, plats, and exhibits included in this report are for illustration only to help the reader visualize the property. They should not be considered as surveys or relied upon for any other purpose. No appraiser responsibility is assumed in connection therewith.
4. This appraiser, by reason of this report, is not required to give testimony or be in attendance in any court or before any governmental body with reference to the property in question unless arrangements have been previously made.
5. No engineering survey has been furnished to the appraiser, and no responsibility is assumed for engineering matters, mechanical or structural. Unless noted, good mechanical and structural condition is assumed to exist.
6. It is assumed, unless specifically disclosed, that there are no structural defects hidden by floor or wall coverings or any other hidden or unapparent conditions of the property; that all mechanical equipment and appliances are in good working condition; and that all electrical components and the roofing are in good condition. If the client has any questions regarding these items, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise needed to make such inspections. The appraiser assumes no responsibility for these items.
7. It is assumed that there is full compliance with all applicable federal, state, and local environmental regulations and laws, unless noncompliance is stated and considered in this report.
8. No soil borings or analysis have been made of the subject. It is assumed that soil conditions are adequate to support standard construction consistent with the highest and best use as stated in this report.
9. It is assumed that all required licenses, consents, 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 contained in this report is based, unless noncompliance is stated and considered in this report.
10. The individual values estimated for the various components of the subject property are valid only when taken in the context of this report and are invalid if considered individually or as components in connection with any other appraisal.
11. When the Discounted Cash Flow Analysis is utilized, it is prepared on the basis of information and assumptions stipulated in this report. The achievement of any financial projections will be affected by fluctuating economic conditions and is dependent upon the occurrence of other future events that cannot be assured. Therefore, the actual results achieved may well vary from the projections and such variations may be material.
12. The date of value to which the opinions expressed in this report is set forth in the report. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated. Each finding, prediction, assumption or conclusion contained in this report represents my personal opinion and is not an assurance that an event will or will not occur.
13. If this report is used within a credit sale-leaseback-type transaction, or the offering structure of a syndicate or syndication partnership, joint venture, or association, it is to be noted that the market value estimate rendered is restricted exclusively to the underlying real property rights defined in this report. No consideration whatsoever is given to the value of any partnership units or interest(s), broker or dealer selling commissions, general partners' acquisition fees, operating deficit reserves, offering expenses, atypical financing, and other similar considerations.
14. Our value estimate presumes that all benefits, terms, and conditions have been disclosed in any lease agreements, and we have been fully informed of any additional considerations (i.e., front-end cash payments, additional leasehold improvement contributions, space buybacks, free rent, equity options).
15. Neither all nor any part of the contents of this report shall be conveyed to the public through advertising, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusions, the identity of the authors or firm with which they are connected, or any reference to the Appraisal Institute, or to the MAI designation.
16. This appraisal review was prepared for the exclusive use of the client for the purpose specified and must not be used in any other manner without our written consent.

## QUALIFICATIONS OF THE APPRAISER

### R. BRUCE HUNTER, MAI

#### Professional Affiliations

MAI member, Appraisal Institute  
Connecticut - Certified General Real Estate Appraiser - License No. 297 Expiration Date 4/30/22  
CT Certified Revaluation Supervisor (all real property types) #824, Expiration Date 4/30/23  
Qualified as an expert witness before the Federal Court and the courts of the State of Conn.  
Past President and on Board of Directors of the Connecticut Chapter of the Appraisal Institute  
Instructor for the Appraisal Institute, teaching Income Property Valuation, the National Uniform Standards of Professional Practice (USPAP) course, and other seminars

#### Education

The American College:

Master of Science of Financial Services	1985
Chartered Financial Consultant (ChFC)	1982
Chartered Life Underwriter (CLU)	1979

Colgate University: B.A. Economics and Social Relations 1976

#### Appraisal Institute

The Appraisal Institute is the result of the January 1, 1991, unification of the American Institute of Real Estate Appraisers and the Society of Real Estate Appraisers. Completed courses that were formerly offered by AIREA and the Society are recognized by the Appraisal Institute.

Successfully completed the following courses:

- Real Estate Appraisal Principles (1A-1)
- Residential Valuation (8-2)
- Standards of Professional Practice (SPPA & SPPB)
- Valuation Analysis and Report Writing (2-2)
- Capitalization Theory and Techniques (1B-1 & 1B-2)
- Basic Valuation Procedures (1A-2)
- Case Studies in Real Estate Valuation (2-1)
- And numerous other seminars

#### Work Experience

March 1984 to Present Real Estate Appraiser and Principal of Hunter Associates, LLC.

Complete narrative appraisal reports of income-producing properties, including commercial, office, and industrial buildings as well as valuation of special-purpose and residential properties. Also, complete narrative reports concerning marketability and feasibility studies; highest and best use studies; and acquisition, condemnation, estate, easement, and foreclosure valuations. Other services rendered include counseling, assessment appeals, neighborhood impact studies, appraisal review, and leasehold analyses. Formerly with Edward F. Heberger & Associates, Inc. (through August, 1995)

11/82 - 3/84 Customer Service Analyst, Marketing Department, CIGNA Corp.

Conducted marketing research and enhanced system for Field Office and Senior Management, with recommendations for product development, marketing, and sales.

3/76 - 10/82 Agent, Hartford Branch Office, CIGNA Corp.

Comprehensive financial planning for closely held businesses and professional clients applying advanced estate planning, business planning, and income tax planning techniques.

**Hunter Associates, LLC**  
772 FARMINGTON AVENUE  
FARMINGTON, CONNECTICUT 06032  
Phone: (860) 677-9646  
email: bruceh@hunterllc.com

**List of Property Types Appraised:**

- “As Is – As Complete” Analyses
- Affordable Housing Developments
- Age Restricted Housing
- Agricultural Properties
- Apartments / Multi-family housing
- Auto Salvage Yards
- Automobile Dealerships
- Banks
- Banquet Facilities
- Bed & Breakfast Properties
- Bus Stations
- Car Wash Facilities
- Churches / Worship Facilities
- Closed Corporate HQ
- Cold Storage Facilities
- Commercial/Retail Properties
- Community Shopping Centers
- Condominium Developments
- Conservation Gift Valuations
- Convenience Stores
- Conversion of Apartments and Industrial Buildings to Condominium Ownership
- Country Estate-Type Properties
- Country Inns
- Courthouse Properties
- Dams & Reservoir Bottoms
- Day Care Centers
- Development Rights
- Dockominiums/Marinas
- Easement Valuations
- Elderly Apartments/Condominiums
- Fair Grounds
- Farm Land
- Fast Food Restaurants
- Flood Plain and Pond Bottom Properties
- Fraternal Halls / Clubs
- Gasoline Stations
- Golf Driving Ranges
- Greenhouses
- Historic Properties
- Horse Barns / Stables
- Hospitals
- Industrial Mills
- Industrial Properties
- Land Leases
- Landfills
- Large Acreage Parcels
- Leasehold Estates
- Lumber Yards
- Marinas / Boat Yards
- Medical, Industrial, Office Condos
- Mini Storage Facilities
- Mobile Home Parks
- Motel / Hotels
- Municipal Properties
- Neighborhood Impact Studies
- Nursery Farms
- Office Properties
- Polo Grounds
- Railroad right-of-ways
- Private and Public School Facilities
- Prospective Valuations
- Reservoirs
- Residential Subdivisions
- Restaurants
- Retrospective Valuations
- Riparian Land / Rights
- Rooming Houses
- Sand and Gravel Pits / Quarries
- Senior Housing Developments
- Special Purpose Properties
- Sports and Health Clubs
- Tank Farms
- Theaters
- Truck Stops
- Truck Terminals
- Veterinarian Clinics
- Waterfront Properties
- Wetlands
- YMCA Buildings
- One Property appraised included: 47 parcels - 1,400 acres; 2 Commercial Buildings; 1 Industrial Building

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FARMINGTON, CONNECTICUT 06032  
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**Partial List of Appraisal & Consulting Assignments Completed:**

- Absorption Analysis
- Appraisal Review
- Cost / Benefit Analysis
- Credit Analysis
- Current Market Valuation Analysis
- Database Analysis
- Development Strategies
- Documentation Automation Analysis
- Feasibility Studies
- Functional Utility Studies
- Highest & Best Use Analysis
- Investment Value Analysis
- Market Rent Studies
- Market Studies
- Marketing and Penetration Studies
- Neighborhood Impact Studies
- Probability Analysis
- Property Tax Analysis
- Prospective Valuation Analysis
- Retrospective Valuation Analysis
- Risk Analysis
- Sensitivity Analysis
- Stigma Studies
- Studies of Environmental Impact on Valuation
- Tax Appeal Appraisals
- Trend Studies
- USPAP Compliance Review / Appropriateness of Techniques Used

**ADDENDA**

**TABLE OF CONTENTS**

**EXHIBIT A:..... Technical Definitions**

**EXHIBIT A**



## DEFINITIONS

### MARKET VALUE

*“Market value is the focus of most real property appraisal assignments. Both economic and legal definitions of market value have been developed and refined. A current definition agreed upon by agencies that regulate federal financial institutions in the United States of America is:*

*The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- (1) Buyer and seller are typically motivated;*
- (2) Both parties are well informed or well advised, and acting in what they consider their own best interests;*
- (3) A reasonable time is allowed for exposure in the open market;*
- (4) Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- (5) The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.”*

Adopted: Federal Register, Vol. 55, No. 161  
August 20, 1990, Rules and Regulations  
Federal Deposit Insurance Corporation  
12CFR Part 323.2

### MOST PROBABLE SELLING PRICE

*The price at which a property would most probably sell if exposed on the market for a reasonable time, under the market conditions prevailing on the date of the appraisal.*

### FEE SIMPLE ESTATE

*Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain police power, and escheat.*

Source: The Dictionary of Real Estate Appraisal  
Fifth Edition, 2010  
Appraisal Institute

## **DEFINITIONS**

### **HIGHEST AND BEST USE**

Real estate is valued in terms of its highest and best use. Highest and best use is defined as:

*The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, financially feasible, and that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.*

Source: The Dictionary of Real Estate Appraisal  
Fifth Edition, 2010  
Appraisal Institute

**APPRAISAL REVIEW** is defined in the 2020-2021 Edition of USPAP as:

*(noun) the act or process of developing an opinion about the quality of another appraiser's work (i.e. a report, part of a report, a workfile, or some combination of these) that was performed as part of an appraisal or appraisal review assignment; (adjective) of or pertaining to an opinion about the quality of another appraiser's work that was performed as part of an appraisal or appraisal review assignment. (p. 3)*

**EXTRAORDINARY ASSUMPTION** is defined in the 2020-2021 Edition of USPAP as:

*an assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. (p. 4)*

**HYPOTHETICAL CONDITION** is defined in the 2020-2021 Edition of USPAP as:

*a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. : Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. (p. 4)*