

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
KEVIN B. MERRILL, et al., )  
 )  
Defendants. )

Case No.: 1:18-cv-02844-RDB

**RECEIVER GREGORY S. MILLIGAN’S MOTION FOR AUTHORIZATION OF SALE OF  
REAL PROPERTY LOCATED AT 3018 SUSANNE COURT, OWINGS MILLS, MD 21117**

This Motion for Sale of Real Property (“Sale Motion”) seeks authorization to sell real property located at 3018 Susanne Court, Owings Mills, MD 21117 (the “Real Property”). If you oppose the sale identified in this Sale Motion, you should immediately contact the undersigned counsel for Receiver Gregory S. Milligan (the “Receiver”). If you and the Receiver cannot agree, you must file a written objection to the proposed sale within thirty (30) days of the filing of this Sale Motion. Your objection must state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer willing to purchase the Real Property for an amount that exceeds the Purchase Price set forth below. If no party files a timely objection, the proposed sale may be approved by the Court without a hearing, thereby authorizing the Receiver to close the sale as soon as practicable.

Receiver Gregory S. Milligan, with the consent of the Securities and Exchange Commission (the “SEC”) and the Office of the United States Attorney (the “U.S. Attorney’s Office”), respectfully files this Sale Motion for authorization to sell the real property located at 3018 Susanne Court, Owings Mills, MD 21117 (the “Real Property”), pursuant to the approved procedures for the sale of the residential real property held by the Receiver. See Dkt. No. 137. The facts and circumstances supporting this Sale Motion are set forth in the Declaration of

Gregory S. Milligan (the “Milligan Declaration”), which is attached hereto as **Exhibit A**. In further support of this Sale Motion, the Receiver states as follows:

### I. BACKGROUND

1. On March 8, 2019, the Receiver filed the Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby’s International Realty, Inc. as Broker (the “Sotheby’s Motion”) to obtain Court approval to market and sell the real property in the Receivership Estate. *See* Dkt. No. 107.

2. Defendant Kevin B. Merrill (“Merrill”) and Relief Defendant Amanda Merrill (“Amanda Merrill”) consented to the Sotheby’s Motion. *See* Dkt. Nos. 116 and 117.

3. Defendant Jay Ledford opposed the Sotheby’s Motion. *See* Dkt. No. 115.

4. On April 23, 2019, the Court entered an Agreed Order on the Sotheby’s Motion (the “Agreed Order”) with respect to certain real property owned or purchased by Merrill and/or Amanda Merrill (the “Merrill Real Property”), which established the procedures for the sale of the Merrill Real Property (the “Real Property Sales Procedures”). *See* Dkt. No. 137.

5. The Real Property is one of the Merrill Real Properties that was approved for marketing and sale by the Court, and title is held in the name of Kevin Merrill. *See* Dkt. No. 137.

6. Pursuant to the Real Property Sales Procedures, the Receiver retained Sotheby’s International Realty, Inc. (“Sotheby’s”) and began marketing the Real Property for sale. *See* Milligan Declaration at ¶ 6.

7. The initial listing price for the Real Property was \$510,000.00. *See id.* at ¶ 7.

8. After diligently marketing the Real Property, Sotheby’s received six different written offers from prospective purchasers. After entering into several rounds of negotiations

with one such offer, Sotheby's received an offer from Konstantin and Marina Chudnovsky (the "Buyers") to purchase the Real Property for \$552,000.00 (the "Purchase Price"), which is \$42,000 above the listing price. *See id.* at ¶ 8. A copy of the Residential Contract of Sale (the "Contract") is attached as **Exhibit 1** to the Milligan Declaration.

9. The Purchase Price is not contingent upon inspections or the sale of any current home owned by the Buyers. *See id.* at ¶ 9.

10. Pursuant to the Real Property Sales Procedures, the Receiver believes a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction. *See id.* at ¶ 10.

11. Pursuant to 28 U.S.C. § 2001, the Receiver obtained three appraisals of the Real Property from disinterested appraisers. *See id.* at ¶ 11.

12. The first appraisal was performed by Jordan May of Classic Appraisal Services (the "May Appraisal"), which concluded the present market value of the Real Property was \$516,000.00 as of May 29, 2019. *See id.* at ¶ 12. A copy of the May Appraisal is attached as **Exhibit 2** to the Milligan Declaration.

13. The second appraisal was performed by Adam J. Bolling of Appraisal Concepts, Inc. (the "Bolling Appraisal"), which concluded the present market value of the Real Property was \$684,000.00 as of May 28, 2019. *See id.* at ¶ 13. A copy of the Bolling Appraisal is attached as **Exhibit 3** to the Milligan Declaration.

14. The third appraisal was performed by Herbert L. Hosford, III, of Four Corners Appraisal Group (the "Hosford Appraisal") (the May Appraisal, Bolling Appraisal, and Hosford Appraisal are collectively, the "Appraisals"), which concluded the present market value of the

Real Property was \$500,000.00 as of May 29, 2019. *See id.* at ¶ 14. A copy of the Hosford Appraisal is attached as **Exhibit 4** to the Milligan Declaration.

15. The Purchase Price for the sale proposed by the Receiver herein is within the range of appraised values of the Real Property. *See id.* at ¶ 15.

16. The Receiver believes that the sale of the Real Property to the Buyers at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate<sup>1</sup> to maximize the recovery and preservation of Receivership Assets. *See id.* at ¶ 16.

17. If approved by the Court, the proposed 6% commission of \$33,120.00 (the “Commission”) would be paid 50% to Sotheby’s and 50% to the Buyers’ broker and out of the Purchase Price at closing. *See id.* at ¶ 17.

18. Additionally, if approved by the Court, Sotheby’s would also receive an administrative fee of \$495.00 (the “Administrative Fee”) to be paid out of the Purchase Price at closing. *See id.* at ¶ 18.

19. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for taxes and other government fees in the approximate amount of \$9,917.17 to be paid at closing out of the Purchase Price. *See id.* at ¶ 19. A copy of the draft Settlement Statement is attached to the Milligan Declaration as **Exhibit 5**.

## II. REQUESTED RELIEF

20. The Receiver seeks Court authorization to sell the Real Property to the Buyers for the Purchase Price and pursuant to the other terms and conditions described in this Sale Motion. Pursuant to the Agreed Order, the Receiver also seeks Court authorization to pay the

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<sup>1</sup> Capitalized terms herein shall have the same meaning as used in the First Amended Order Appointing Temporary Receiver (the “Receivership Order”) (Dkt. No. 62) unless otherwise noted.

Commission, Administrative Fee, and other customary closing costs out of the Purchase Price. *See* Dkt. No. 137 ¶ 6.

21. The Purchase Price is within the range of comparable sales and the opinions of present market value for the Real Property as identified in the Appraisals. *See* Milligan Declaration at ¶ 15.

22. The Receiver believes a private sale of the Real Property will yield a higher sale price than a public auction. *See id.* at ¶ 16.

23. In the Receiver's business judgment, the Commission and Administrative Fee proposed by Sotheby's is fair market value for such services and will result in a net benefit to the Receivership Estate and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, the Receiver seeks authorization to pay these fees in connection with the sale of the Real Property. If Sotheby's was required to submit fee applications, the burden of preparing those fee applications would fall on the Receiver's professionals and would increase the burden on the Receivership Estate. Accordingly, the Receiver is requesting final approval for payment of Sotheby's Commission and Administrative Fee, along with all other customary closing costs, out of the Purchase Price at closing without need of further Court approval. *See id.* at ¶ 20.

24. Pursuant to the Real Property Sales Procedures, this Sale Motion will be served on all Known Parties of Interest. As used in this Sale Motion, the term "Known Parties of Interest" shall mean: (i) all counsel and/or pro se parties of record who have registered to receive electronic service; (ii) all parties of record in this matter who have not registered to receive electronic service; and (iii) any individuals or entities who hold a recorded lien on the Real

Property.<sup>2</sup> Any Known Parties of Interest who have registered to receive electronic service shall receive a copy of this Sale Motion through the Court's CM/ECF filing system. All other Known Parties of Interest shall receive a copy of the Sale Motion through regular U.S. Mail. The Sale Motion will act as formal legal notice of the proposed sale and will require all Known Parties of Interest with objections to the proposed sale to timely respond to this Sale Motion or be deemed to consent to the sale. The Receiver will also post a copy of this Sale Motion and proposed order on the Receiver's website for this case, *www.merrill-ledford.com*, to provide adequate notice to the public of the proposed sale.

25. Pursuant to the Real Property Sales Procedures, any party, entity, or person asserting an objection to this Sale Motion shall file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to this Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer who is willing to purchase the Real Property for an amount that exceeds the proposed Purchase Price. The Receiver's response to any objection to this Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and this Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed Buyers and terms under the Sale Motion to act as a "stalking horse" bid, subject to higher and better offers.

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<sup>2</sup> The Receiver obtained a title report for the Real Property, which revealed there are no recorded mortgages or other liens on the Real Property. Accordingly, there are no known lienholders to provide notice to under the Real Property Sales Procedures.

26. Pursuant to the Real Property Sales Procedures, if no objection is filed, or if the Court approves the sale subsequent to an objection, the Receiver's sale of the Real Property shall be free and clear of all liens, claims, and encumbrances, unless the Court orders that such liens, claims, or encumbrances shall attach to the proceeds of such sale. All allowed claims shall attach to the proceeds of the sale of the Real Property without need for further Court order. If any party asserts a lien, claim, or encumbrance on the Real Property, such sale may still go forward to closing, with a determination of the extent, validity, and/or priority of the alleged lien, claim, or encumbrance to be made by the Court at a later date.

27. Pursuant to the Agreed Order, the net proceeds of the sale of the Real Property will be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court. Pursuant to the Agreed Order, all rights, reservations, claims, defenses, and objections of Amanda Merrill, the SEC, and the Receiver have been preserved with respect to distribution of the proceeds.

### **III. CONCLUSION**

WHEREFORE, the Receiver respectfully requests that this Court enter an Order: (i) granting this Sale Motion; (ii) authorizing the Receiver to sell the Real Property to the Buyers free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds) for the Purchase Price and pursuant to the other terms disclosed in this Sale Motion; (iii) authorizing Sotheby's to receive the Commission at closing from the Purchase Price, which will be shared equally with the Buyers' broker, plus the Administrative Fee; (iv) authorizing the Receiver to pay other customary closing costs out of the Purchase Price at closing; and (v) granting such other relief as the Court deems just and proper.

Date: August 1, 2019.

Respectfully Submitted,

/s/ Lynn H. Butler

Lynn H. Butler, *pro hac vice*  
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Austin, TX 78701  
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Fax: (512) 479-1101  
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750 17th Street, NW, Suite 900  
Washington, D.C. 20006  
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Fax: (202) 378-2318  
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[buffey.klein@huschblackwell.com](mailto:buffey.klein@huschblackwell.com)

*Counsel for Receiver Gregory S. Milligan*



**CERTIFICATE OF SERVICE**

On August 1, 2019, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court for the District of Maryland, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically through the Court's CM/ECF filing system for all parties who have registered to receive electronic service. Additionally, the foregoing document was served on the following parties not registered for Court's CM/ECF filing system as indicated below:

**Defendant Kevin B. Merrill (via U.S. Mail):**

Kevin B. Merrill  
Harford County Detention Center, #1335278  
1030 Rock Spring Rd.  
Bel Air, MD 21014

**Criminal Counsel for Defendant Kevin B. Merrill (via E-Mail and U.S. Mail):**

Elizabeth Genevieve Oyer  
Office of the Federal Public Defender  
100 S Charles St Ste 900 Tower II  
Baltimore, MD 21201  
liz\_oyer@fd.org

Maggie Grace  
Office of the Federal Public Defender  
100 S Charles St, Tower II, 9th Floor  
Baltimore, MD 21201  
maggie\_grace@fd.org

**Criminal Counsel for Defendant Jay B. Ledford (via E-Mail and U.S. Mail):**

Harry J Trainor, Jr  
Trainor Billman Bennett and Milko LLP  
116 Cathedral St Ste E  
Annapolis, MD 21401  
htrain@prodigy.net

**Criminal Counsel for Defendant Cameron R. Jezierski (via E-Mail and U.S. Mail):**

Joseph J Aronica  
Duane Morris LLP  
505 9th St NW Ste 1000  
Washington, DC 20004  
jjaronica@duanemorris.com

**Criminal Counsel for Relief Defendant Amanda Merrill (via E-Mail and U.S. Mail):**

Addy R. Schmitt  
Ian Herbert  
Miller & Chevalier Chartered  
900 16th St NW  
Washington, DC 20006  
aschmitt@milchev.com  
iherbert@milchev.com

**Relief Defendant Lalaine Ledford (via U.S. Mail):**

Lalaine Ledford  
10512 Courtney Cove Ave.  
Las Vegas, NV 89144

**Baltimore County Office of Law (via E-Mail and U.S. Mail):**

Susan B. Dubin  
Baltimore County Office of Law  
400 Washington Avenue  
Towson, Maryland 21204  
sdubin@baltimorecountymd.gov

**Dundalk United Methodist Church (U.S. Mail):**

Dundalk United Methodist Church  
c/o Edward F. Mathus  
6903 Mornington Road  
Baltimore, Maryland 21222

**Lienholders, Tax Assessors, and Other Interested Parties (U.S. Mail):**

Florida Community Bank, N.A.  
2325 Vanderbilt Beach Road  
Naples, Florida 34109

Mortgage Electronic Registration Systems, Inc.  
PO Box 2026  
Flint, Michigan 48501-2026

Collier County, Florida Tax Assessor  
3291 Tamiami Trail East  
Naples, Florida 34112

Maryland Department of Assessments & Taxation  
301 W. Preston Street  
Baltimore, Maryland 21201-2395

Branch Banking and Trust Company,  
A North Carolina Banking Corporation  
PO Box 1290  
Whiteville, North Carolina 28472

Talbot County, Maryland Finance Office  
Talbot County Courthouse  
11 North Washington Street, Suite 9  
Easton, Maryland 21601

HSBC Bank USA, National Association, as trustee of  
J.P. Morgan Alternative Loan Trust 2006-A5  
c/o Howard n. Bierman, Trustee  
c/o Select Portfolio Servicing, Inc.  
3815 Southwest Temple  
Salt Lake City, Utah 84115

Clark County, Nevada Tax Assessor  
500 S. Grand Central Parkway  
Las Vegas, Nevada 89155

First Financial Bank, N.A. Southlake  
3205 E. Hwy. 114  
PO Box 92840  
Southlake, Texas 76092

Hunter Kelsey of Texas, LLC  
4131 Spicewood Springs Road, Bldg. J-1A  
Austin, Texas 78759

Frost Bank, f/k/a The Frost National Bank  
c/o Michael J. Quilling  
Quilling, Selander Lownds, Winslett & Moser, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201

The City of Colleyville, Texas  
c/o Victoria W. Thomas  
Nichols, Jackson, Dilard, Hager & Smith, L.L.P.  
1800 Lincoln Plaza  
500 North Akard  
Dallas, Texas 75201

Tarrant County, Texas Tax Assessor  
100 E. Weatherford  
Fort Worth, Texas 76196

J Trust  
c/o Hillary RE. Badrow, Trustee  
2801 Paramount Boulevard  
Amarillo, Texas 79109

Dallas Central Appraisal District  
2949 N. Stemmons Freeway  
Dallas, Texas 75247-6195

Bozeman West  
PO Box 1970  
15632 West Main Street  
Bozeman, Montana 59771-1970

Neil A. Patel  
5308 Burgandy Court  
Colleyville, Texas 76034

TIB – The Independent BankersBank  
350 Phelps Court, Suite 200  
PO Box 560528i  
Dallas, Texas 75356-0528

Wachovia Mortgage, FSB  
PO Box 659548  
San Antonio, Texas 78265-9548

Denton County Tax Assessor  
1505 E. McKinney Street  
Denton, Texas 76209-4525

Potter County, Texas Tax Assessor  
900 South Polk, Suite 106  
Amarillo, Texas 79101

Wells Fargo Home Mortgage  
P.O. Box 10335  
Des Moines, IA 50306

Albertelli Law  
Attn: Coury M. Jacocks  
2201 W. Royal Lane, Suite 155  
Irving, TX 75063

Samual I. White, P.C.  
5040 Corporate Woods Drive, Suite 120  
Virginia Beach, VA 23462

/s/ Lynn H. Butler

Lynn H. Butler

# **EXHIBIT A**

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
KEVIN B. MERRILL, et al., )  
 )  
Defendants. )

Case No.: 1:18-cv-02844-RDB

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**DECLARATION OF GREGORY S. MILLIGAN IN SUPPORT OF RECEIVER'S  
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT  
3018 SUSANNE COURT, OWINGS MILLS, MD 21117**

Gregory S. Milligan declares, pursuant to 28 U.S.C. § 1746 and under penalty of perjury, that the following is true and correct:

1. My name is Gregory S. Milligan and I am of sound mind and capable of making this Declaration. I have personal knowledge of the facts stated herein and they are true and correct.
2. I am the Court-appointed Receiver in the civil action styled *Securities and Exchange Commission v. Kevin B. Merrill, et al.*, Case No.: 1:18-cv-02844-RDB pending in the United States District Court for the District of Maryland.
3. In furtherance of my duties to manage and maintain the value of the Receivership Assets,<sup>1</sup> I filed a Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") (Dkt. No. 107) to obtain Court approval to market and sell the real property in the Receivership Estate.
4. On April 23, 2019, the Court entered an Agreed Order on the Sotheby's Motion (the "Agreed Order") (Dkt. No. 137) with respect to certain real property owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill (the "Merrill Real Property"), which established the procedures for the sale of the Merrill Real Property (the "Real Property Sales Procedures").

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<sup>1</sup> Capitalized terms herein shall have the same meaning as used in the First Amended Order Appointing Temporary Receiver (the "Receivership Order") (Dkt. No. 62) unless otherwise noted.

5. The real property that is the subject of the current sale motion is located at 3018 Susanne Court, Owings Mills, MD 21117 (the “Real Property”) and is one of the Merrill Real Properties that was approved for marketing and sale by the Court.
6. Pursuant to the Real Property Sales Procedures, I retained Sotheby’s International Realty, Inc. (“Sotheby’s”) and began marketing the Real Property for sale.
7. The initial listing price for the Real Property was \$510,000.00.
8. After diligently marketing the Real Property, Sotheby’s received six different written offers from prospective purchasers. After entering into several rounds of negotiations with one such offer, Sotheby’s received an offer from Konstantin and Marina Chudnovsky (the “Buyers”) to purchase the Real Property for \$552,000.00 (the “Purchase Price”), which is \$42,000 above the listing price. A copy of the Residential Contract of Sale (the “Contract”) is attached hereto as **Exhibit 1**.
9. The Purchase Price is not contingent upon inspections or the sale of any current home owned by the Buyers.
10. Pursuant to the Real Property Sales Procedures, I believe a private sale of the Real Property pursuant to the terms of the Contract will yield a higher return than a public auction.
11. Pursuant to 28 U.S.C. § 2001, I obtained three appraisals of the Real Property from disinterested appraisers.
12. The first appraisal was performed by Jordan May of Classic Appraisal Services (the “May Appraisal”), which concluded the present market value of the Real Property was \$516,000.00 as of May 29, 2019. A copy of the May Appraisal is attached hereto as **Exhibit 2**.
13. The second appraisal was performed by Adam J. Bolling of Appraisal Concepts, Inc. (the “Bolling Appraisal”), which concluded the present market value of the Real Property was \$684,000.00 as of May 28, 2019. A copy of the Bolling Appraisal is attached hereto as **Exhibit 3**.
14. The third appraisal was performed by Herbert L. Hosford, III, of Four Corners Appraisal Group (the “Hosford Appraisal”) (the May Appraisal, Bolling Appraisal, and Hosford Appraisal are collectively, the “Appraisals”), which concluded the present market value of the Real Property was \$500,000.00 as of May 29, 2019. A copy of the Hosford Appraisal is attached hereto as **Exhibit 4**.
15. The Purchase Price for the sale proposed herein is within the range of appraised values of the Real Property.
16. I believe that the sale of the Real Property to the Buyers at this time pursuant to the terms of the Contract is in the best interest of the Receivership Estate to maximize the recovery and preservation of Receivership Assets.



17. If approved by the Court, the proposed 6% commission of \$33,120.00 (the "Commission") would be paid 50% to Sotheby's and 50% to the Buyers' broker out of the Purchase Price at closing.
18. Additionally, if approved by the Court, Sotheby's would also receive an administrative fee of \$495.00 (the "Administrative Fee") to be paid out of the Purchase Price at closing.
19. Finally, if approved by the Court, the sale of the Real Property would also incur customary closing costs for taxes and other government fees in the approximate amount of \$9,917.17 to be paid at closing out of the Purchase Price. A copy of the draft Settlement Statement is attached hereto as **Exhibit 5**.
20. In my business judgment, the Commission and Administrative Fee proposed by Sotheby's is fair market value for such services, will result in a net benefit to the Receivership Estate, and will reduce the administrative cost to the Receivership Estate. Pursuant to the Agreed Order, I seek authorization to pay these fees in connection with the sale of the Real Property. If Sotheby's were required to submit fee applications, the burden of preparing those fee applications would fall on my professionals and would increase the burden on the Receivership Estate. Accordingly, I am requesting final approval for payment of Sotheby's Commission and Administrative fee, along with all other customary closing costs, at closing out of the Purchase Price without need of further Court approval.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on July 30, 2019.

  
\_\_\_\_\_  
GREGORY S. MILLIGAN

# **EXHIBIT 1**



**RESIDENTIAL CONTRACT OF SALE**

***This is a Legally Binding Contract; If Not Understood, Seek Competent Legal Advice.***

**THIS FORM IS DESIGNED AND INTENDED FOR THE SALE AND PURCHASE OF IMPROVED SINGLE FAMILY RESIDENTIAL REAL ESTATE LOCATED IN MARYLAND ONLY.**

**TIME IS OF THE ESSENCE.** Time is of the essence of this Contract. The failure of Seller or Buyer to perform any act as provided in this Contract by a prescribed date or within a prescribed time period shall be a default under this Contract and the non-defaulting party, upon written notice to the defaulting party, may declare this Contract null and void and of no further legal force and effect. In such event, all Deposit(s) shall be disbursed in accordance with Paragraph 20 of this Contract.

**1. DATE OF OFFER:** July 10, 2019

**2. SELLER:** Gregory S. Milligan, Receiver

**3. BUYER:** Konstantin Chudnovsky, Marina Chudnovsky

**4. PROPERTY:** Seller does sell to Buyer and Buyer does purchase from Seller, all of the following described Property (hereinafter "Property") known as 3018 SUSANNE CT located in OWINGS MILLS BALTIMORE City/County, Maryland, Zip Code 21117, together with the improvements thereon, and all rights and appurtenances thereto belonging.

**5. ESTATE:** The Property is being conveyed: x in fee simple or \_\_\_\_\_ subject to an annual ground rent, now existing, in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_) payable semi-annually, as now or to be recorded among the Land Records of \_\_\_\_\_ City/County, Maryland.

**6. PURCHASE PRICE:** The purchase price is Five Hundred Fifty-Two Thousand Dollars (\$ 552,000.00 ).

**7. PAYMENT TERMS:** The payment of the purchase price shall be made by Buyer as follows:

(a) An initial Deposit by way of check in the amount of Five Thousand Dollars (\$ 5,000.00 ) at the time of this offer.

(b) An additional Deposit by way of \_\_\_\_\_ in the amount of \_\_\_\_\_ Dollars (\$ \_\_\_\_\_ ) to be paid \_\_\_\_\_.

(c) All Deposits will be held in escrow by: Allfirst Realty.  
(If not a Maryland licensed real estate broker, the parties may execute a separate escrow deposit agreement.)

(d) The purchase price less any and all Deposits shall be paid in full by Buyer in cash, wired funds, bank check, certified check or other payment acceptable to the settlement officer at settlement.

(e) Buyer and Seller instruct broker named in paragraph (c) above to place the Deposits in: **(Check One)**  
 A non-interest bearing account;  
**OR**  An interest bearing account, the interest on which, in absence of default by Buyer, shall accrue to the benefit of Buyer. Broker may charge a fee for establishing an interest bearing account.

**8. SETTLEMENT:** Date of Settlement September 27, 2019 or sooner if agreed to in writing by the parties.

**9. FINANCING:** Buyer's obligation to purchase the Property is contingent upon Buyer obtaining a written commitment for a loan secured by the Property as follows:

- |   |   |   |
|---|---|---|
| <input checked="" type="checkbox"/> Conventional Financing Addendum | <input type="checkbox"/> USDA Financing Addendum            | <input type="checkbox"/> Owner Financing Addendum |
| <input type="checkbox"/> FHA Financing Addendum                     | <input type="checkbox"/> Assumption Addendum                | <input type="checkbox"/> No Financing Contingency |
| <input type="checkbox"/> VA Financing Addendum                      | <input type="checkbox"/> Gift of Funds Contingency Addendum | <input type="checkbox"/> OTHER: _____             |

Buyer

Seller   
07/15/19  
6:03 PM CDT  
dotloop verified

**10. FINANCING APPLICATION AND COMMITMENT:** Buyer agrees to make a written application for the financing as herein described within Five ( 5 ) days from the Date of Contract Acceptance.

If a written financing commitment is not obtained by Buyer within Fifteen ( 15 ) days from the Date of Contract Acceptance: (1) Seller, at Seller's election and upon written notice to Buyer, may declare this Contract null and void and of no further legal effect; or (2) Buyer, upon written notice to Seller, which shall include written evidence from the lender of Buyer's inability to obtain financing as provided in Paragraph 9 of this Contract, may declare this Contract null and void and of no further legal effect. In either case, the deposit shall be disbursed in accordance with the Deposit paragraph of this Contract. If Buyer has complied with all of Buyer's obligations under this Contract, including those with respect to applying for financing and seeking to obtain financing, then the Release of Deposit agreement shall provide that the deposit shall be returned to Buyer.

**11. ALTERNATE FINANCING:** Provided Buyer timely and diligently pursues the financing described in the **Financing** paragraph, paragraph, the **Financing Application and Commitment** paragraph, and the **Buyer Responsibility** paragraph, Buyer, at Buyer's election, may also apply for alternate financing. If Buyer, at Buyer's sole option, obtains a written commitment for financing in which the loan amount, term of note, amortization period, interest rate, down payment or loan program differ from the financing as described in the Financing paragraph, or any addendum to this Contract, the Financing Application and Commitment paragraph or any addendum to this Contract shall be deemed to have been fully satisfied. Such alternate financing may not increase costs to Seller or exceed the time allowed to secure the financing commitment as provided in the Financing Application and Commitment paragraph, or any addendum to this Contract.

**12. HOME AND/OR ENVIRONMENTAL INSPECTION:** Buyer acknowledges, subject to Seller acceptance, that Buyer is afforded the opportunity, at Buyer's sole cost and expense, to condition Buyer's purchase of the Property upon a Home Inspection and/or Environmental Inspection in order to ascertain the physical condition of the Property or the existence of environmental hazards. If Buyer desires a Home Inspection and/or Environmental Inspection contingency, such contingency must be included in an addendum to this Contract. Buyer and Seller acknowledge that Brokers, agents or subagents are not responsible for the existence or discovery of property defects.

Inspection(s) Addenda Attached Buyer Buyer Inspection(s) Declined E KAMC

**13. INCLUSIONS/EXCLUSIONS:** Included in the purchase price are all permanently attached fixtures, including all smoke detectors. Certain other **now existing items** which may be considered personal property, whether installed or stored upon the property, are included if box below is checked.

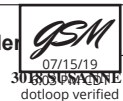
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|---|---|--|--|
| <b>INCLUDED</b>                                 | <b>INCLUDED</b>                                     | <b>INCLUDED</b>                                  | <b>INCLUDED</b>                                |
| <input type="checkbox"/> Alarm System           | <input type="checkbox"/> Exhaust Fan(s) # _____     | <input type="checkbox"/> Pool, Equipment & Cover | <input type="checkbox"/> Trash Compactor       |
| <input type="checkbox"/> Built-in Microwave     | <input type="checkbox"/> Exist. W/W Carpet          | <input type="checkbox"/> Refrigerator(s) # _____ | <input type="checkbox"/> Wall Oven(s) # _____  |
| <input type="checkbox"/> Ceiling Fan(s) # _____ | <input type="checkbox"/> Fireplace Screen Doors     | <input type="checkbox"/> w/ice maker             | <input type="checkbox"/> Water Filter          |
| <input type="checkbox"/> Central Vacuum         | <input type="checkbox"/> Freezer                    | <input type="checkbox"/> Satellite Dish          | <input type="checkbox"/> Water Softener        |
| <input type="checkbox"/> Clothes Dryer          | <input type="checkbox"/> Furnace Humidifier         | <input type="checkbox"/> Screens                 | <input type="checkbox"/> Window A/C Unit(s)    |
| <input type="checkbox"/> Clothes Washer         | <input type="checkbox"/> Garage Opener(s) # _____   | <input type="checkbox"/> Shades/Blinds           | <input type="checkbox"/> # _____               |
| <input type="checkbox"/> Cooktop                | <input type="checkbox"/> w/remote(s) # _____        | <input type="checkbox"/> Storage Shed(s) # _____ | <input type="checkbox"/> Window Fan(s) # _____ |
| <input type="checkbox"/> Dishwasher             | <input type="checkbox"/> Garbage Disposer           | <input type="checkbox"/> Storm Doors             | <input type="checkbox"/> Wood Stove            |
| <input type="checkbox"/> Drapery/Curtain Rods   | <input type="checkbox"/> Hot Tub, Equipment & Cover | <input type="checkbox"/> Storm Windows           |  |
| <input type="checkbox"/> Draperies/Curtains     | <input type="checkbox"/> Intercom                   | <input type="checkbox"/> Stove or Range          |  |
| <input type="checkbox"/> Electronic Air Filter  | <input type="checkbox"/> Playground Equipment       | <input type="checkbox"/> T.V. Antenna            |  |

ADDITIONAL INCLUSIONS (SPECIFY): \_\_\_\_\_  
ADDITIONAL EXCLUSIONS (SPECIFY): \_\_\_\_\_

**14. AGRICULTURALLY ASSESSED PROPERTY:** The *Agricultural Use Assessment* (Assessment) is a reduced property tax assessment for agricultural land. To be eligible for the Assessment, the land must be actively used for agricultural purposes. The *Agricultural Land Transfer Tax* (Tax) is a tax imposed under Section 13-301 et seq. of the Tax-Property Article, Annotated Code of Maryland. **If the Property is assessed in the agricultural use category and the Buyer does not intend to use the Property for agricultural purposes, the Tax may become due and could be substantial.** The Tax is imposed on the deed itself and must be paid before the deed can be recorded. At the time of sale, Seller shall notify Buyer in writing that the transfer may be subject to the Tax. Buyer will be responsible to pay the Tax unless the parties negotiate a different agreement. To avoid paying the Tax, Buyer must continue to use the Property for agricultural purposes and comply with the other requirements of the law. **The Property, or any portion thereof, may be subject to an Agricultural Land Transfer Tax as imposed by Section 13-301 et seq. of the Tax-Property Article, Annotated Code of Maryland, by reason of the Property's having been assessed on the basis of agricultural use. The tax assessed as a result of this transfer shall be paid by** \_\_\_\_\_

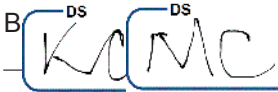
**15. FOREST CONSERVATION AND MANAGEMENT PROGRAM:** Buyer is hereby notified that this transfer may be subject to the Forest Conservation and Management Program imposed by Section 8-211 of the Tax-Property Article, Annotated Code of Maryland. Forest Conservation and Management program taxes assessed as a result of this transfer shall be paid by \_\_\_\_\_

Buyer E KAMC Page 2 of 11 10/18 Seller DS



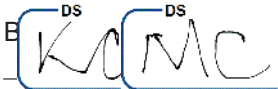
**16. LEAD-BASED PAINT:**

**A. FEDERAL LEAD-BASED PAINT LAW:** Title X, Section 1018, the Residential Lead-Based Paint Hazard Reduction Act of 1992 (the "Act"), requires the disclosure by Seller of information regarding lead-based paint and lead-based paint hazards in connection with the sale of any residential real property on which a residential dwelling was constructed prior to 1978. Unless otherwise exempt by the Act, the disclosure shall be made on the required federal Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards form. **Seller and any agent involved in the transaction are required to retain a copy of the completed Lead-Based Paint Disclosure form for a period of three (3) years following the date of settlement. A Seller who fails to give the required Lead-Based Paint Disclosure form and EPA pamphlet may be liable under the Act for three times the amount of damages and may be subject to both civil and criminal penalties.**


B  Buyer's initials below that Buyer has read and understands the provisions of Paragraph 16.A.  
**BUYER)**

**B. RENOVATION, REPAIR AND PAINTING OF PROPERTY:** In accordance with the Lead Renovation, Repair and Painting Rule ("RRP") as adopted by the Environmental Protection Agency ("the EPA"), effective April 22, 2010, if the improvements on the Property were built before 1978, contractor(s) engaged by Seller to renovate, repair or paint the Property must be certified by the EPA where such work will disturb more than six square feet of paint per room for interior projects; more than 20 square feet of paint for any exterior project; or includes window replacement or demolition ("Covered Work"). Before and during any Covered Work project, contractor(s) must comply with all requirements of the RRP.

A Seller who personally performs any Covered Work on a rental property is required to be certified by the EPA prior to performing such Covered Work. No certification is required for a Seller who personally performs Covered Work on the Seller's principal residence. However, Seller has the ultimate responsibility for the safety of Seller's family or children while performing such Covered Work. For detailed information regarding the RRP, Seller should visit <http://www2.epa.gov/lead/renovation-repair-and-painting-program>.

B  Buyer's initials below that Buyer has read and understands Paragraph 16.B.  
**BUYER)**

**C. MARYLAND LEAD POISONING PREVENTION PROGRAM:** Under the Maryland Lead Poisoning Prevention Program (the "Maryland Program"), any residential dwelling constructed prior to 1978 that is leased for residential purposes is required to be registered with the Maryland Department of the Environment (MDE). If the Property was built prior to 1978 and is now or has been a rental property or may become a rental property in the future, a separate Maryland Lead-Based Paint Disclosure form is attached. Detailed information regarding compliance requirements may be obtained at: <http://www.mde.state.md.us/programs/Land/LeadPoisoningPrevention/Pages/index.aspx>.

B  Buyer's initials below that Buyer has read and understands Paragraph 16.C.  
**BUYER)**

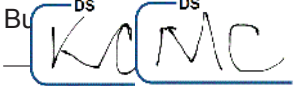
**17. NOTICE REGARDING DISCLOSURE OF DEFERRED WATER AND SEWER ASSESSMENTS:** Pursuant to Section 14-117(a)(5) of the Real Property Article of the Annotated Code of Maryland, a contract for the resale of residential real property that is served by public water or wastewater facilities for which deferred water and sewer charges have been established by a recorded covenant or declaration shall contain a notice disclosing information about the deferred water and sewer charges. **If a Seller subject to this law fails to comply:**

- (a) **Prior to settlement, Buyer is entitled to rescind in writing the sales contract without penalty or liability. On rescission, Buyer is also entitled to the full return of any deposits made on account of the sales contract. If any deposits are held in trust by a licensed real estate broker, the return of the deposits to a Buyer under this law shall comply with the procedures under § 17-505 of the Business Occupations and Professions Article of the Annotated Code of Maryland. Buyer's right of rescission shall terminate five days after Seller provides to Buyer written notice in accordance with this requirement; and**
- (b) **After settlement, Seller shall be liable to Buyer for the full amount of any fee or assessment not disclosed, unless Seller was never charged a fee or assessment to defray the costs of public water or wastewater facilities by the developer, a successor of the developer, or a subsequent assignee.**

This law does *not* apply in a county that has adopted a disclosure requirement that is substantially similar to this law. (If the Property is served by public water or wastewater facilities for which deferred water and sewer charges have been established by a recorded covenant or declaration: See Notice Regarding Deferred Water and Sewer Charges.)

Buyer 

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Buyer's initials below that Buyer has read and understands Paragraph 17.  


Buyer's initials below that Buyer has read and understands Paragraph 17.  
(KJYC)

**18. ADDENDA/DISCLOSURES:** The Addenda checked below, which are hereby attached, are made a part of this Contract:

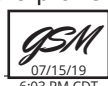
- Affiliated Business Disclosure Notice
- As Is
- Back-Up Contract Addendum
- Cash Appraisal Contingency
- Condominium Resale Notice
- Conservation Easement
- Disclosure of Licensee Status
- Disclosure of Leased Items Addendum
- Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards
- First-Time Maryland Home Buyer Transfer & Recordation Tax
- Homeowners Association Notice
- Kickout
- Local City/County Certifications/Registrations
- Local City/County Notices/Disclosure
- Maryland Lead Poisoning Prevention Program Disclosure
- MD Non-Resident Seller Transfer Withholding Tax
- Notice to Buyer and Seller – Maryland Residential Real Property Disclosure/Disclaimer Act
- Notice & Disclosure of Deferred Water & Sewer Charges
- On-Site Sewage Disposal System Inspection
- Property Inspections
- Property Subject to Ground Rent
- Purchase Price Escalation
- Sale, Financing, Settlement or Lease of Other Real Estate
- Seller Contribution
- Seller's Purchase of Another Property
- Short Sale
- Third Party Approval
- Water Quality

Other Addenda/Special Conditions:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**19. WOOD DESTROYING INSECT INSPECTION:** Buyer, at Buyer's expense, (if VA, then at Seller's expense) is authorized to obtain a written report on the state regulated form from a Maryland licensed pest control company that, based on a careful visual inspection, there is no evidence of termite or other wood-destroying insect infestation in the residence or within three (3) feet of the residence; and damage due to previous infestation has been repaired. The provisions of this paragraph also shall apply to: (1) the garage or within three (3) feet of the garage (whether attached or detached); (2) any outbuildings located within three feet of the residence or garage; and (3) a maximum of ten (10) linear feet of the nearest portion of a fence on Seller's Property within three feet of the residence or garage. If there is evidence of present infestation as described above, or if damage caused by present or prior infestation is discovered, Seller, at Seller's expense, shall repair any damage caused by present or prior infestation and have the present infestation treated by a licensed pest control company. If the cost of treatment and repair of such damage exceeds 2% of the purchase price, Seller may, at Seller's option, cancel this Contract, unless Buyer, at Buyer's option should choose to pay for the cost of treatment and repairs exceeding 2% of the purchase price, then this Contract shall remain in full force and effect. If such report reveals damage for which the cost of treatment and repair exceeds 2% of the purchase price, Seller's decision regarding treatment and repair of damage shall be communicated in writing to Buyer within five (5) days from receipt of the report, after which Buyer shall respond to Seller in writing with Buyer's decision within three (3) days from receipt of Seller's notification of Seller's decision. If Seller does not notify Buyer in writing of Seller's decision within five (5) days from receipt of report, Buyer may, at Buyer's option, pay for the cost of treatment and repairs exceeding 2% of the purchase price. If Buyer does not want to pay for the cost of treatment and repairs exceeding 2% of the purchase price, Buyer may terminate this Contract upon written notice delivered to Seller. In the event this Contract is terminated under the terms of this paragraph, the Deposit(s) shall be disbursed in accordance with the Deposit paragraph of this Contract.

**20. DEPOSIT:** If the Deposit is held by a Broker as specified in Paragraph 7(c) of this Contract, Buyer hereby authorizes and directs Broker to hold the Deposit instrument without negotiation or deposit until the parties have executed and accepted this Contract. Upon acceptance, the initial Deposit and additional Deposits (the "Deposit"), if any, shall be placed in escrow as provided in Paragraph 7(e) of this Contract and in accordance with the requirements of Section 17-502(b)(1) of the Business Occupations and Professions Article, Annotated Code of Maryland. If Seller does not execute and accept this Contract, the initial Deposit instrument shall be promptly returned to Buyer. The Deposit shall be disbursed at settlement. In the event this Contract shall be terminated or settlement does not occur, Buyer and Seller agree that the Deposit shall be disbursed by Broker only in accordance with a Release of Deposit agreement executed by Buyer and Seller. In the event Buyer and/or Seller fail to complete the real estate transaction in accordance with the terms and conditions of this Contract, and either Buyer or Seller shall be unable or unwilling to execute a Release of Deposit agreement, Buyer and Seller hereby acknowledge and agree that Broker may distribute the Deposit in accordance with the provisions of Section 17-505 of the Business Occupations and Professions Article, Annotated Code of Maryland.

Buyer 

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**21. DEED AND TITLE:** Upon payment of the purchase price, a deed for the Property containing covenants of special warranty and further assurances (except in the case of transfer by personal representative of an estate), shall be executed by Seller and shall convey the Property to Buyer. Title to the Property, including all chattels included in the purchase, shall be good and merchantable, free of liens and encumbrances except as specified herein; except for use and occupancy restrictions of public record which are generally applicable to properties in the immediate neighborhood or the subdivision in which the Property is located and publicly recorded easements for public utilities and any other easements which may be observed by an inspection of the Property. Buyer expressly assumes the risk that restrictive covenants, zoning laws or other recorded documents may restrict or prohibit the use of the Property for the purpose(s) intended by Buyer. In the event Seller is unable to give good and merchantable title or such as can be insured by a Maryland licensed title insurer, with Buyer paying not more than the standard rate as filed with the Maryland Insurance Commissioner, Seller, at Seller's expense, shall have the option of curing any defect so as to enable Seller to give good and merchantable title or, if Buyer is willing to accept title without said defect being cured, paying any special premium on behalf of Buyer to obtain title insurance on the Property to the benefit of Buyer. In the event Seller elects to cure any defects in title, this Contract shall continue to remain in full force and effect; and the date of settlement shall be extended for a period not to exceed fourteen (14) additional days. If Seller is unable to cure such title defect(s) and is unable to obtain a policy of title insurance on the Property to the benefit of Buyer from a Maryland licensed title insurer, Buyer shall have the option of taking such title as Seller can give, or terminating this Contract and being reimbursed by Seller for cost of searching title as may have been incurred not to exceed 1/2 of 1% of the purchase price. In the latter event, there shall be no further liability or obligation on either of the parties hereto; and this Contract shall become null and void; and all Deposit(s) shall be disbursed in accordance with the Deposit paragraph of this Contract. In no event shall Broker(s) or their agent(s) have any liability for any defect in Seller's title.

**22. CONDITION OF PROPERTY AND POSSESSION:** At settlement, Seller shall deliver possession of the Property and shall deliver the Property vacant, clear of trash and debris, broom clean and in substantially the same condition as existed on the Date of Contract Acceptance. Buyer reserves the right to inspect the Property within five (5) days prior to settlement. **EXCEPT AS OTHERWISE SPECIFIED IN THIS CONTRACT, INCLUDING THIS PARAGRAPH, THE PROPERTY IS SOLD "AS IS."** The obligations of Seller as provided in this paragraph shall be in addition to any Disclosure and Disclaimer Statement as required by Section 10-702, Real Property Article, Annotated Code of Maryland and any provision of any inspection contingency addendum made a part of this Contract (See Property Inspections Notice).

**23. ADJUSTMENTS:** Ground rent, homeowner's association fees, rent and water rent shall be adjusted and apportioned as of date of settlement; and all taxes, general or special, and all other public or governmental charges or assessments against the Property which are or may be payable on a periodic basis, including Metropolitan District Sanitary Commission, Washington Suburban Sanitary Commission, or other benefit charges, assessments, liens or encumbrances for sewer, water, drainage, paving, or other public improvements completed or commenced on or prior to the date hereof, or subsequent thereto, are to be adjusted and apportioned as of the date of settlement and are to be assumed and paid thereafter by Buyer, whether assessments have been levied or not as of date of settlement if applicable by local law. Any heating or cooking fuels remaining in supply tank(s) at time of settlement shall become the property of Buyer.

**24. SETTLEMENT COSTS:** Buyer agrees to pay all settlement costs and charges including, but not limited to, all Lender's fees in connection herewith, including title examination and title insurance fees, loan insurance premiums, all document preparation and recording fees, notary fees, survey fees where required, and all recording charges, except those incident to clearing existing encumbrances or title defects, except if Buyer is a Veteran obtaining VA financing, those prohibited to be paid by a Veteran obtaining VA financing, which prohibited charges shall be paid by Seller.

**25. TRANSFER CHARGES:**

**A. IN GENERAL.** Section 14-104(b) of the Real Property Article, Annotated Code of Maryland provides that, unless otherwise negotiated in the contract or provided by State or local law, the cost of any recordation tax or any State or local Transfer Tax shall be shared equally between the Buyer and Seller.

**B. FIRST-TIME BUYER.** Under Section 14-104(c) of the Real Property Article, the entire amount of recordation and local transfer tax shall be paid by the Seller of property that is sold to a first-time Maryland homebuyer, unless there is an express agreement that the recordation tax or any state or local transfer tax will not be paid entirely by the Seller.

**RECORDATION AND LOCAL TRANSFER TAX.** If the Buyer is a first-time Maryland homebuyer, Buyer and Seller expressly agree, in accordance with Section 14-104(c) of the Real Property Article, Annotated Code of Maryland, that payment of recordation tax and local transfer tax shall be shared equally between the Buyer and Seller unless a "First-time Maryland Homebuyer Transfer and Recordation Tax Addendum" is attached, which contains a different express agreement.

**STATE TRANSFER TAX:** Under Section 13-203(b) of the Tax-Property Article, Annotated Code of Maryland, the amount of state transfer tax due on the sale of property to a first-time Maryland homebuyer is reduced from 0.50% to 0.25% and shall be paid entirely by the Seller. Buyer is hereby notified that to ensure receipt of the above reduction, Buyer should so indicate on Page 10 of this Contract and complete the required affidavit at settlement indicating that the Buyer is a first-time Maryland homebuyer.

**26. BROKER LIABILITY:** Brokers, their agents, subagents and employees do not assume any responsibility for the condition of the Property or for the performance of this Contract by any or all parties hereto. By signing this Contract, Buyer and Seller acknowledge that they have not relied on any representations made by Brokers, or any agents, subagents or employees of Brokers, except those representations expressly set forth in this Contract.

Buyer 

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**27. BROKER'S FEE:** All parties irrevocably instruct the settlement officer to collect the fee or compensation and disburse same according to the terms and conditions provided in the listing agreement and/or agency representation agreement.

Settlement shall ~~not~~ be a condition precedent to payment of compensation.

**28. SELLER RESPONSIBILITY:** Seller agrees to keep existing mortgages free of default until settlement. All violation notices or requirements noted or issued by any governmental authority (including without limitation, any permit violation notices), or actions in any court on account thereof, against or affecting the Property at the date of settlement of this Contract, shall be complied with by Seller and the Property conveyed free thereof. The Property is to be held at the risk of Seller until legal title has passed or possession has been given to Buyer. If, prior to the time legal title has passed or possession has been given to Buyer, whichever shall occur first, all or a substantial part of the Property is destroyed or damaged, without fault of Buyer, then this Contract, at the option of Buyer, upon written notice to Seller, shall be null and void and no further effect, and the deposits shall be disbursed in accordance with the Deposit paragraph of this Contract.

**29. BUYER RESPONSIBILITY:** If Buyer has misrepresented Buyer's financial ability to consummate the purchase of the Property, or if this Contract is contingent upon Buyer securing a written commitment for financing and Buyer fails to apply for such financing within the time period herein specified, or fails to pursue financing diligently and in good faith, or if Buyer makes any misrepresentations in any document relating to financing, or takes (or fails to take) any action which causes Buyer's disqualification for financing, then Buyer shall be in default; and Seller may elect by written notice to Buyer, to terminate this Contract and/or pursue the remedies set forth under the Default paragraph of this Contract.

**30. HOMEOWNER'S ASSOCIATION:** The Property is not part of a development subject to the imposition of mandatory fees as defined by the Maryland Homeowner's Association Act, unless acknowledged by attached addendum.

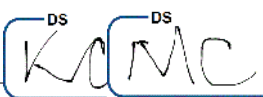
**31. GROUND RENT:** If the Property is subject to ground rent and the ground rent is not timely paid, the ground lease holder (i.e., the person to whom the ground rent is payable) may bring an action under Section 8-402.3 of the Real Property Article, Annotated Code of Maryland. As a result of this action, a lien may be placed upon the property. If the Property is subject to ground rent, Sections 14-116 and 14-116.1 of the Real Property Article provide the purchaser, upon obtaining ownership of the Property, with certain rights and responsibilities relative to the ground rent. (If the Property is subject to ground rent: See Property Subject to Ground Rent Addendum.)

**32. SALE/SETTLEMENT OR LEASE OF OTHER REAL ESTATE:** Neither this Contract nor the granting of Buyer's loan referred to herein is to be conditioned or contingent in any manner upon the sale, settlement and/or lease of any other real estate unless a contingency for the sale, settlement and/or lease of other real estate is contained in an addendum to this Contract. Unless this Contract is expressly contingent upon the sale, settlement and/or lease of any other real estate, Buyer shall neither apply for nor accept a financing loan commitment which is contingent upon or requires as a pre-condition to funding that any other real estate be sold, settled and/or leased.

**33. LEASES:** Seller may neither negotiate new leases nor renew existing leases for the Property which extend beyond settlement or possession date without Buyer's written consent.

**34. DEFAULT:** Buyer and Seller are required and agree to make full settlement in accordance with the terms of this Contract and acknowledge that failure to do so constitutes a breach hereof. If Buyer fails to make full settlement or is in default due to Buyer's failure to comply with the terms, covenants and conditions of this Contract, the initial Deposit and additional Deposits (the "Deposit") may be retained by Seller as long as a Release of Deposit Agreement is signed and executed by all parties, expressing that said Deposit may be retained by Seller. In the event the parties do not agree to execute a Release of Deposit Agreement, Buyer and Seller shall have all legal and equitable remedies. If Seller fails to make full settlement or is in default due to Seller's failure to comply with the terms, covenants and conditions of this Contract, Buyer shall be entitled to pursue such rights and remedies as may be available, at law or in equity, including, without limitation, an action for specific performance of this Contract and/or monetary damages. In the event of any litigation or dispute between Buyer and Seller concerning the release of the Deposit, Broker's sole responsibility may be met, at Broker's option, by paying the Deposit into the court in which such litigation is pending, or by paying the Deposit into the court of proper jurisdiction by an action of interpleader. Buyer and Seller agree that, upon Broker's payment of the Deposit into the court, neither Buyer nor Seller shall have any further right, claim, demand or action against Broker regarding the release of the Deposit; and Buyer and Seller, jointly and severally, shall indemnify and hold Broker harmless from any and all such rights, claims, demands or actions. In the event of such dispute and election by Broker to file an action of interpleader as herein provided, Buyer and Seller further agree and hereby expressly and irrevocably authorize Broker to deduct from the Deposit all costs incurred by Broker in the filing and maintenance of such action of interpleader including but not limited to filing fees, court costs, service of process fees and attorneys' fees, provided that the amount deducted shall not exceed the lesser of \$500 or the amount of the Deposit held by Broker. All such fees and costs authorized herein to be deducted may be deducted by Broker from the Deposit prior to paying the balance of the Deposit to the court. Buyer and Seller further agree and expressly declare that all such fees and costs so deducted shall be the exclusive property of Broker. If the amount deducted by Broker is less than the total of all of the costs incurred by Broker in

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Buyer 

Seller   
3018 SUSANNE



filing and maintaining the interpleader action, then Buyer and Seller jointly, and severally, agree to reimburse Broker for all such excess costs upon the conclusion of the interpleader action.

**35. MEDIATION OF DISPUTES:** Mediation is a process by which the parties attempt to resolve a dispute or claim with the assistance of a neutral mediator who is authorized to facilitate the resolution of the dispute. The mediator has no authority to make an award, to impose a resolution of the dispute or claim upon the parties or to require the parties to continue mediation if the parties do not desire to do so. Buyer and Seller agree that any dispute or claim arising out of or from this Contract or the transaction which is the subject of this Contract shall be mediated through the Maryland REALTORS®, Inc. or its member local boards/associations in accordance with the established Mediation Rules and Guidelines of Maryland REALTORS® or through such other mediator or mediation service as mutually agreed upon by Buyer and Seller, in writing. Unless otherwise agreed in writing by the parties, mediation fees, costs and expenses shall be divided and paid equally by the parties to the mediation. If either party elects to have an attorney present that party shall pay his or her own attorney's fees.

Buyer and Seller further agree that the obligation of Buyer and Seller to mediate as herein provided shall apply to all disputes or claims arising whether prior to, during, or within one (1) year following the actual contract settlement date or when settlement should have occurred. Buyer and Seller agree that neither party shall commence any action in any court regarding a dispute or claim arising out of or from this Contract or the transaction which is the subject of this Contract, without first mediating the dispute or claim, unless the right to pursue such action or the ability to protect an interest or pursue a remedy as provided in this Contract, would be precluded by the delay of the mediation. In the event the right to pursue such action, or the ability to protect an interest or pursue a remedy would be precluded by the delay, Buyer or Seller may commence the action only if the initial pleading or document commencing such action is accompanied by a request to stay the proceeding pending the conclusion of the mediation. If a party initiates or commences an action in violation of this provision, the party agrees to pay all costs and expenses, including reasonable attorneys' fees, incurred by the other party to enforce the obligation as provided herein. The provisions of this paragraph shall survive closing and shall not be deemed to have been extinguished by merger with the deed.

**36. ATTORNEY'S FEES:** In any action or proceeding between Buyer and Seller based, in whole or in part, upon the performance or non-performance of the terms and conditions of this Contract, including, but not limited to, breach of contract, negligence, misrepresentation or fraud, the prevailing party in such action or proceeding shall be entitled to receive reasonable attorney's fees from the other party as determined by the court or arbitrator. In any action or proceeding between Buyer and Seller and/or between Buyer and Broker(s) and/or Seller and Broker(s) resulting in Broker(s) being made a party to such action or proceeding, including, but not limited to, any litigation, arbitration, or complaint and claim before the Maryland Real Estate Commission, whether as defendant, cross-defendant, third-party defendant or respondent, Buyer and Seller jointly and severally, agree to indemnify and hold Broker(s) harmless from and against any and all liability, loss, cost, damages or expenses (including filing fees, court costs, service of process fees, transcript fees and attorneys' fees) incurred by Broker(s) in such action or proceeding, providing that such action or proceeding does not result in a judgment against Broker(s).

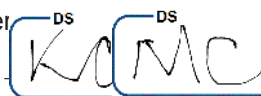
As used in this Contract, the term "Broker(s)" shall mean: (a) the two (2) Brokers as identified on Page 11 of this Contract; (b) the two (2) named Sales Associates identified on Page 11 of the Contract; and (c) any agent, subagent, salesperson, independent contractor and/or employees of Broker(s). The term "Broker(s)" shall also mean, in the singular, any or either of the named Broker(s) and/or Sales Associate(s) as identified or, in the plural, both of the named Brokers and/or Sales Associates as identified.


This Paragraph shall apply to any and all such action(s) or proceeding(s) against Broker(s) including those action(s) or proceeding(s) based, in whole or in part, upon any alleged act(s) or omission(s) by Broker(s), including, but not limited to, any alleged act of misrepresentation, fraud, non-disclosure, negligence, violation of any statutory or common law duty, or breach of fiduciary duty by Broker(s). The provisions of this Paragraph shall survive closing and shall not be deemed to have been extinguished by merger with the deed.

**37. NOTICE OF BUYER'S RIGHT TO SELECT SETTLEMENT SERVICE PROVIDERS:** Buyer has the right to select Buyer's own title insurance company, title lawyer, settlement company, escrow company, mortgage lender or financial institution as defined in the Financial Institutions Article, Annotated Code of Maryland. Buyer acknowledges that Seller may not be prohibited from offering owner financing as a condition of settlement.

**38. PROPERTY OWNER'S TITLE INSURANCE:** Buyer, at Buyer's expense, may purchase owner's title insurance at either "standard" or "enhanced" coverage and rates. The coverage afforded by such title insurance would be governed by the terms and conditions thereof, and the premium for obtaining such title insurance coverage would be determined by the extent of its coverage. For purposes of owner's title insurance policy premium rate disclosures by Buyer's lender, Buyer and Seller agree that enhanced rates (if available) shall be quoted by Buyer's lender. Buyer understands that nothing herein obligates Buyer to obtain any owner's title insurance coverage at any time, including at settlement, and that the availability of owner's title insurance coverage is subject to the underwriting criteria of the title insurer.

**39. AUTHORIZATION TO PROVIDE TILA-RESPA INTEGRATED DISCLOSURES:** Buyer and Seller hereby authorize the lender \_\_\_\_\_, as agent, and/or their representatives to disclose and provide copies of the closing disclosure(s)

Buyer 

Seller   
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and/or other settlement statement to the real estate licensees involved in the transaction at the time these documents are provided to Buyer and Seller.

**40. LIMITED WARRANTY:** NOTICE TO BUYER: IF A WARRANTY PLAN IS BEING OFFERED WITH THE PURCHASE OF THE PROPERTY, IT MAY BE A LIMITED WARRANTY. SINCE SUCH WARRANTY PLANS DO NOT COVER STRUCTURAL DEFECTS AND MAY NOT COVER PRE-EXISTING DEFECTS, BUYER SHOULD REQUEST THE REAL ESTATE AGENT TO PROVIDE BUYER WITH ANY BROCHURE WHICH DESCRIBES THE PLAN IN ORDER TO DETERMINE THE EXTENT OF COVERAGE PROVIDED BY THE WARRANTY.

**41. PROPERTY INSURANCE BROCHURE:** An informational brochure published by the Maryland REALTORS®, Inc. titled "The New Reality of Property Insurance — What You Should Know" is available to explain current issues relative to obtaining insurance coverage for the Property to be purchased.

**42. FLOOD DISCLOSURE NOTICE:**

**A. FLOOD INSURANCE PREMIUMS:** The Property or part of the Property may be located in an area established by the government as a "flood plain" or otherwise in an area where flood insurance could be required by Buyer's mortgage lender as a condition of granting a mortgage. In addition, construction on the Property could be prohibited or restricted. The National Flood Insurance Program ("NFIP") provides for the availability of flood insurance but also establishes flood insurance policy premiums based on the risk of flooding in the area where properties are located. Due to amendments to federal law governing the NFIP those premiums are increasing, and in some cases will rise by a substantial amount over the premiums previously charged for flood insurance. As a result, Buyer should not rely on the premiums paid for flood insurance on the Property as an indication of the premiums that will apply after Buyer completes the purchase. In considering the purchase of this Property, Buyer should consult with one or more carriers of flood insurance for better understanding of flood insurance coverage, the premiums that are likely to be required to purchase such insurance and any available information about how those premiums may increase in the future. Detailed information regarding flood insurance coverage may be obtained at: <http://www.fema.gov/national-flood-insurance-program>.

**B. FLOOD INSURANCE RATE MAPS:** The State of Maryland in conjunction with the Federal Emergency Management Agency has been systematically updating flood insurance rate maps. The Property may be affected. Buyer is advised to contact the Maryland Department of the Environment and consult a flood insurance carrier to inquire about the status of the Property. Detailed information regarding updated maps may be obtained at: <http://www.mdffloodmaps.net/home.html>.

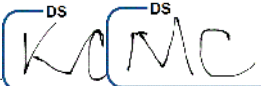
**43. GUARANTY FUND:** NOTICE TO BUYER: BUYER IS PROTECTED BY THE REAL ESTATE GUARANTY FUND OF THE MARYLAND REAL ESTATE COMMISSION, UNDER SECTION 17-404 OF THE BUSINESS OCCUPATIONS AND PROFESSIONS ARTICLE OF THE ANNOTATED CODE OF MARYLAND, FOR LOSSES IN AN AMOUNT NOT EXCEEDING \$50,000 FOR ANY CLAIM.

**44. SINGLE FAMILY RESIDENTIAL REAL PROPERTY DISCLOSURE NOTICE:** Buyer is advised of the right to receive a "Disclosure and Disclaimer Statement" from Seller (Section 10-702 Real Property Article, Annotated Code of Maryland).

**45. MARYLAND NON-RESIDENT SELLER:** If the Property is not the Seller's principal residence and the Seller is a non-resident individual of the State of Maryland or is a non-resident entity which is not formed under the laws of the State of Maryland or qualified to do business in the State of Maryland, a withholding tax from the proceeds of sale may be withheld at the time of settlement except as otherwise provided by Maryland law. (See Maryland Non-Resident Seller Transfer Withholding Tax Addendum.)

**46. INTERNAL REVENUE SERVICE FILING:** Buyer and Seller each agree to cooperate with the settlement officer by providing all necessary information so that a report can be filed with the Internal Revenue Service, as required by Section 6045 of the IRS Code. To the extent permitted by law, any fees incurred as a result of such filing will be paid by the Seller.

**47. NOTICE TO BUYER CONCERNING THE CHESAPEAKE AND ATLANTIC COASTAL BAYS CRITICAL AREA:** Buyer is advised that all or a portion of the property may be located in the "Critical Area" of the Chesapeake and Atlantic Coastal Bays, and that additional zoning, land use, and resource protection regulations apply in this area. The "Critical Area" generally consists of all land and water areas within 1,000 feet beyond the landward boundaries of state or private wetlands, the Chesapeake Bay, the Atlantic Coastal Bays, and all of their tidal tributaries. The "Critical Area" also includes the waters of and lands under the Chesapeake Bay, the Atlantic Coastal Bays and all of their tidal tributaries to the head of tide. For information as to whether the property is located within the Critical Area, Buyer may contact the local Department of Planning and Zoning, which maintains maps showing the extent of the Critical Area in the jurisdiction. Allegany, Carroll, Frederick, Garrett, Howard, Montgomery and Washington Counties do not include land located in the Critical Area.

Buyer 

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**48. WETLANDS NOTICE:** Buyer is advised that if the Property being purchased contains waters of the United States, or if the Property contains land and/or waters regulated by the State, including, but not limited to, wetlands, approval from the U.S. Army Corps of Engineers (Corps) and/or the Maryland Department of the Environment (MDE) will be necessary before starting any work, including construction, if the work includes the discharge of dredged or fill material into a regulated area, or certain other activities conducted in a regulated area. The Corps has adopted a broad definition of waters of the United States, which occur throughout the Chesapeake Bay Region, as well as other portions of the State. The land and waters regulated by the State include tidal wetlands, nontidal wetlands and their buffers, and streams and their 100-year nontidal floodplain. For information as to whether the Property includes waters of the United States or land and/or waters regulated by the State, Buyer may contact the Baltimore District of the Corps and/or MDE. Buyer may also elect, at Buyer's expense, to engage the services of a qualified specialist to inspect the Property for the presence of Corps-or MDE-regulated areas, including wetlands, prior to submitting a written offer to purchase the Property; or Buyer may include in Buyer's written offer a clause making Buyer's purchase of the Property contingent upon a satisfactory wetlands inspection.

**49. FOREST CONSERVATION ACT NOTICE:** If the Property is a tract of land 40,000 square feet or more in size, Buyer is notified that, unless exempted by applicable law, as a prerequisite to any subdivision plan or grading or sediment control permit for the Property, Buyer will be required to comply with the provisions of the Maryland Forest Conservation Act imposed by Section 5-1601, et seq. of the Natural Resources Article, Annotated Code of Maryland, including, among other things, the submission and acceptance of a Forest Stand Delineation and a Forest Conservation Plan for the Property in accordance with applicable laws and regulations. Unless otherwise expressly set forth in an addendum to this Contract, Seller represents and warrants that the Property is not currently subject to a Forest Conservation Plan, Management Agreement or any other pending obligation binding the owner of the Property under said Act; further, Seller represents and warrants that no activities have been undertaken on the Property by Seller in violation of the Forest Conservation Act.

**50. NOTICE CONCERNING CONSERVATION EASEMENTS:** If the Property is encumbered by a Conservation Easement as defined in Section 10-705 of the Real Property Article, Annotated Code of Maryland, the contract must contain a notice concerning the easement, which is contained in an attached addendum. This Paragraph does not apply to the sale of property in an action to foreclose a mortgage or deed of trust. (If the Property is encumbered by a Conservation Easement: See Conservation Easement Addendum.)

**51. FOREIGN INVESTMENT TAXES-FIRPTA:** Section 1445 of the United States Internal Revenue Code of 1986 provides that a Buyer of residential real property located in the United States must withhold federal income taxes from the payment of the purchase price if (a) the purchase price exceeds Three Hundred Thousand Dollars (\$300,000.00) and (b) the seller is a foreign person. Unless otherwise stated in an addendum attached hereto, if the purchase price is in excess of Three Hundred Thousand Dollars (\$300,000.00), Seller represents that Seller is not a non-resident alien, foreign corporation, foreign partnership, foreign trust or foreign estate (as those terms are defined by the Internal Revenue Code and applicable regulations) and agrees to execute an affidavit to this effect at the time of settlement.

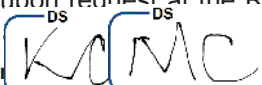

**52. CRIMINAL ACTIVITY AND SEXUAL OFFENDERS:** Buyer may contact the state, county or municipal police departments in which the Property is located or check the "Sex Offender Registry" at the Maryland Department of Public Safety and Correctional Services website in order to ascertain criminal activity in the vicinity of the Property or the presence of registered sexual offenders who live or work within the vicinity of the Property. Buyer acknowledges that Buyer is solely responsible to inquire of such matters before signing this Contract. Buyer shall have no right to cancel this Contract based upon criminal activity or the presence of registered sexual offenders in the vicinity of the Property. Buyer further acknowledges that no real estate licensee involved in the sale or purchase of the Property, whether acting as the agent for Seller or Buyer, has any duty nor assumes any duty or responsibility to ascertain criminal activity or the presence of registered sexual offenders in the vicinity of the Property.


**53. MILITARY INSTALLATIONS:** This Section does not apply in Allegany, Carroll, Frederick, Garrett, Howard, Montgomery, and Washington Counties. Buyer is advised that the Property may be located near a military installation that conducts flight operations, munitions testing, or military operations that may result in high noise levels.

**54. NOTICE TO THE PARTIES:**

(A) NO REPRESENTATIONS: Brokers, their agents, subagents and employees, make no representations with respect to:

- (1) Water quantity, quality, color, or taste or operating conditions of public and/or private water systems;
- (2) Location, size or operating condition of on-site sewage disposal systems;
- (3) The extensions of public utilities by local municipal authorities, existence or availability of public utilities, and any assessments, fees or costs for public utilities which might be imposed by local municipal authorities or private entities, should public utilities be extended or available to the subject Property. (Buyer should consult the Department of Public Works to determine the availability of proposed future extensions of utilities.);
- (4) Lot size, exact location. If the subject Property is part of a recorded subdivision, Buyer can review the plat upon request at the Record Office. If the subject Property is not part of a recorded subdivision, Buyer may verify exact size survey by a licensed engineer or land surveyor, at Buyer's expense;

Buyer   plat upon request at the Record Office. If the subject Property is not part of a recorded subdivision, Buyer may verify exact size survey by a licensed engineer or land surveyor, at Buyer's expense;

Seller  07/15/19 6:03 PM CDT 301805AN181

(5) Existing zoning or permitted uses of the Property, including, without limitation, whether any improvements to the Property required permit(s) and, if so, whether such improvements, were completed pursuant to permit(s) issued and/or whether any permit(s) issued were complied with. Buyer should contact the appropriate local government agency and/or a licensed engineer to verify zoning, permit issuance/status, and permitted uses;

(6) Whether properly licensed contractors have been used to make repairs, renovations and improvements to the Property.

(B) NO ADVISING: Brokers/agents are not advising the parties as to certain other issues, including without limitation: soil conditions; flood hazard areas; possible restrictions of the use of property due to restrictive covenants, subdivision, environmental laws, easements or other documents; airport or aircraft noise; planned land use, roads or highways; and construction materials and/or hazardous materials, including without limitation flame retardant treated plywood (FRT), radon, radium, mold spores, urea formaldehyde foam insulation (UFFI), synthetic stucco (EIFS), asbestos, polybutylene piping and lead-based paint. Information relating to these issues may be available from appropriate governmental authorities. This disclosure is not intended to provide an inspection contingency.

(C) COMPENSATION OF VENDORS: Buyer and Seller each assume full responsibility for selecting and compensating their respective vendors.

(D) PROTECTION OF HOMEOWNERS IN FORECLOSURE ACT NOTICE: BUYER AND SELLER ACKNOWLEDGE THAT, UNDER SECTION 7-310 OF THE REAL PROPERTY ARTICLE OF THE ANNOTATED CODE OF MARYLAND, IF THE MORTGAGE ON THE PROPERTY IS AT LEAST 60 DAYS IN DEFAULT ON THE DATE OF CONTRACT ACCEPTANCE, SELLER HAS THE RIGHT TO RESCIND THE CONTRACT WITHIN 5 DAYS AFTER THE DATE OF CONTRACT ACCEPTANCE. ANY PROVISION IN THIS CONTRACT OR OTHER AGREEMENT THAT ATTEMPTS OR PURPORTS TO WAIVE ANY OF THE SELLER'S RIGHTS UNDER SECTION 7-310 IS VOID.

**55. PROPERTY TAX NOTICE - 60 DAY APPEAL:** If any real property is transferred after January 1 and before the beginning of the next taxable year to a new owner, the new owner may submit a written appeal as to a value or classification on or before 60 days after the date of the transfer.

**56. NON-ASSIGNABILITY:** This Contract may not be assigned without the written consent of Buyer and Seller. If Buyer and Seller agree in writing to an assignment of this Contract, the original parties to this Contract remain obligated hereunder until settlement.

**57. PARAGRAPH HEADINGS:** The Paragraph headings of this Contract are for convenience and reference only, and in no way define or limit the intent, rights or obligations of the parties.

**58. COMPUTATION OF DAYS:** As used in this Contract, and in any addendum or addenda to this Contract, the term "days" shall mean consecutive calendar days, including Saturdays, Sundays, and holidays, whether federal, state, local or religious. A day shall be measured from 12:00:00 a.m. to and including 11:59:59 p.m. in the Eastern Time Zone. For the purposes of calculating days, the count of "days" shall begin on the day following the day upon which any act or notice as provided in this Contract, or any addendum or addenda to this Contract, was required to be performed or made.

**59. ENTIRE AGREEMENT:** This Contract and any addenda thereto contain the final and entire agreement between the parties, and neither they nor their agents shall be bound by any terms, conditions, statements, warranties or representations, oral or written, not herein contained. The parties to this Contract mutually agree that it is binding upon them, their heirs, executors, administrators, personal representatives, successors and, if permitted as herein provided, assigns. Once signed, the terms of this Contract can only be changed by a document executed by all parties. This Contract shall be interpreted and construed in accordance with the laws of the State of Maryland. It is further agreed that this Contract may be executed in counterparts, each of which when considered together shall constitute the original Contract.

**60. ELECTRONIC DELIVERY:** The parties agree that this Contract offer shall be deemed validly executed and delivered by a party if a party executes this Contract and delivers a copy of the executed Contract to the other party by facsimile transmittal, or delivers a digital image of the executed document by electronic transmittal.

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Konstantin Chudnovsky  
Date

  
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\_\_\_\_\_  
Seller's Signature  
Gregory S. Milligan, Receiver  
Date

DocuSigned by:  
  
\_\_\_\_\_  
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Marina Chudnovsky  
Date

\_\_\_\_\_  
Seller's Signature  
Date

DATE OF CONTRACT ACCEPTANCE: \_\_\_\_\_

Check if First-Time Maryland Homebuyer

**Contact Information:**

BUYER / NAME(S): **Konstantin Chudnovsky, Marina Chudnovsky**

MAILING ADDRESS: \_\_\_\_\_

SELLER / NAME(S): **Gregory S. Milligan, Receiver**

MAILING ADDRESS: \_\_\_\_\_

Information provided for reference only:

LISTING BROKERAGE COMPANY NAME: **Monument Sotheby's International Realty**

BROKER OF RECORD NAME: **Thomas Saehler**

LICENSE NUMBER: **6115-04**

SALES ASSOCIATE NAME: **Diane M Donohue**

LICENSE NUMBER: **Lic# 593976 - MD**

OFFICE ADDRESS: **10807 Falls RD STE 301, Lutherville Timonium, MD 21093**

OFFICE PHONE: **(443)746-2088**

BROKER/SALES ASSOCIATE MLS ID: **104282**

SALES ASSOCIATE PHONE: **(410)236-0027**

SALES ASSOCIATE E-MAIL: **baltimoresbestproperties@gmail.com**

ACTING AS:

- LISTING BROKER AND SELLER AGENT; OR  
 INTRA - COMPANY AGENT WITH BROKER AS DUAL AGENT

SELLING BROKERAGE COMPANY NAME: **Allfirst Realty, Inc.**

BROKER OF RECORD NAME: **Alex Fox**

LICENSE NUMBER: **530179**

SALES ASSOCIATE NAME: **Alex Fox**

LICENSE NUMBER: **530179**

OFFICE ADDRESS: **1777 Reisterstown Rd, suite 204, Pikesville, MD 21208-1306**

OFFICE PHONE: **(443)320-1344**

BROKER/SALES ASSOCIATE MLS ID: **71059**

SALES ASSOCIATE PHONE: **(410)963-3191**

SALES ASSOCIATE E-MAIL: **alex@allfirstmd.com**

ACTING AS:

- SELLER AGENT; OR  
 SUBAGENT; OR  
 BUYER AGENT; OR  
 INTRA - COMPANY AGENT WITH BROKER AS DUAL AGENT



**CONVENTIONAL FINANCING ADDENDUM**

ADDENDUM dated \_\_\_\_\_ to Contract of Sale  
between Buyer Konstantin Chudnovsky, Marina Chudnovsky  
and Seller Gregory S. Milligan, Receiver  
for Property known as 3018 SUSANNE CT, OWINGS MILLS, MD 21117

The Contract is contingent upon Buyer obtaining a conventional loan secured by the Property as follows:

**1. LOAN DETAILS:**

Loan Amount \$ 440,000.00  
Term of Note 30 Years  
Amortization \_\_\_\_\_ Years  
Interest Rate \_\_\_\_\_ %  
Loan Program Conventional  
Buyer agrees to pay Loan Origination/Discount Fees (as a % of loan amount): \_\_\_\_\_ %

**2. LOAN INSURANCE PREMIUMS:** All loan insurance premiums as required by Lender shall be paid by Buyer.

**3. LOCK IN:** BY ACCEPTING A LOAN AGREEMENT WHEREBY THE INTEREST RATE AND LOAN DISCOUNT FEES ARE NOT BEING LOCKED IN, BUYER AGREES TO ACCEPT THE RATE AS CHARGED BY LENDER AT THE TIME OF LOCK-IN AND THE RESPONSIBILITY FOR ANY ADDITIONAL FEES CHARGED. BUYER SHALL REMAIN BOUND TO PERFORM UNDER THE CONTRACT, NOTWITHSTANDING ANY SUCH CHANGES IN THE RATE AND/OR FEES.

**4. MONTHLY PAYMENT:** Payments to Lender may include monthly principal and interest, plus one-twelfth of the annual real estate taxes, ground rent, special assessments or charges, if any, hazard (fire) insurance premium, flood insurance, and private mortgage insurance.

**5. LOAN UNDERWRITING:** Buyer and Seller understand that Lender may resubmit the loan to underwriting. To the extent such changes do not conflict with the conditions of the Contract, Buyer agrees to comply with Lender's request for additional or updated information as required to approve the loan.

**6. LENDER REQUIRED REPAIRS:** In the event Lender requires any repairs or improvements ("Required Repairs") be made to the Property, Seller agrees to perform the Required Repairs and pay the cost thereof at or prior to settlement, provided the total cost of the Required Repairs does not exceed \$ \_\_\_\_\_, ("Repair Amount"). **This cost shall be in addition to Seller's other obligations under the terms of the Contract.** Should the cost of Required Repairs exceed the Repair Amount:

- A. Seller may elect to pay the total cost of the Required Repairs, in which event the Contract shall remain in full force and effect.
- B. Seller may terminate the Contract by written notice to Buyer, which must include a written estimate of the cost of the Required Repairs. Said written notice shall be provided to Buyer within five (5) days of Seller's receipt of written estimate(s).
- C. The Contract shall remain in full force and effect if, within five (5) days of Buyer's receipt of Seller's notice of termination, Buyer elects, in writing, to pay the difference between the cost of the Required Repairs and the Repair Amount listed above.
- D. If neither Buyer nor Seller elects to pay the excess cost of any Required Repairs, the Contract shall become null and void; and all Deposit(s) shall be disbursed in accordance with the Deposit paragraph of the Contract.

**7. APPRAISAL CONTINGENCY:** The Contract is contingent upon Buyer obtaining an appraisal of the Property. The appraisal will be at Buyer's expense and will be performed by a Maryland licensed appraiser.

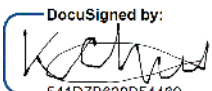
If the appraised value of the Property is less than the Purchase Price as set forth in the Contract, Buyer shall notify Seller, in writing, of such fact within \_\_\_\_\_ (\_\_\_\_) days from receipt of the written appraisal and shall include a copy of the written appraisal. The written notice from Buyer to Seller shall state whether: A) Buyer elects to

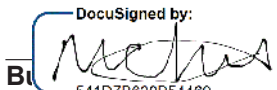
proceed to purchase the Property notwithstanding the appraised value of the Property; OR B) Buyer requests the Seller to reduce the Purchase Price to the appraised value. In the event Buyer notifies Seller of Buyer's election to proceed to purchase the Property notwithstanding the appraised value, the Contract shall remain in full force and effect and Seller shall have no obligation, right or election as provided in this Addendum.


Upon receipt of the written notice from Buyer of Buyer's request to reduce the Purchase Price to the appraised value, Seller, at Seller's election and upon written notice to Buyer not later than \_\_\_\_\_ (\_\_\_\_) days following receipt by Seller of the written notice from Buyer, may either: A) agree to reduce the Purchase Price to the appraised value of the Property, in which event the Contract shall remain in full force and effect; OR B) decline to reduce the Purchase Price to the appraised value.

If Seller declines to reduce the Purchase Price to the appraised value, or fails to respond within the time period above, Buyer, at Buyer's election, not later than \_\_\_\_\_ (\_\_\_\_) days following receipt of the written notice from Seller, or from the date that such written notice was to have been provided by Seller, shall either: A) declare the Contract null and void and of no further force and effect, in which event, the Deposit(s) shall be disbursed in accordance with the Deposit(s) paragraph of the Contract; OR B) agree to purchase the Property at the Purchase Price notwithstanding the appraised value of the Property, in which event the Contract shall remain in full force and effect, and Buyer shall pay any increase in the down payment, interest rate, point(s) or loan origination fee(s) as required by lender without contribution by Seller except as otherwise provided in the Contract.

**All other terms and conditions of the Contract of Sale remain in full force and effect.**

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**konstantin Chudnovsky** \_\_\_\_\_  
Date

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**Marina Chudnovsky** \_\_\_\_\_  
Date

  
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\_\_\_\_\_  
**Seller Signature** \_\_\_\_\_  
**Gregory S. Milligan, Receiver** \_\_\_\_\_  
Date

**GENERAL ADDENDUM TO CONTRACT OF SALE**  
**FOR USE WITH THE MARYLAND ASSOCIATION OF REALTORS® RESIDENTIAL CONTRACT OF SALE FORM**

Addendum Number \_\_\_\_\_ to Contract of Sale (the "Contract") dated \_\_\_\_\_

Buyer(s): **Konstantin Chudnovsky, Marina Chudnovsky**

Seller(s): **Gregory S. Milligan, Receiver**

Property: **3018 SUSANNE CT, OWINGS MILLS, MD 21117**

**1. LEGAL REQUIREMENT:** A Contract for the sale of real property is required to be in writing to be enforceable under the laws of the State of Maryland. Once signed by the parties, the Contract becomes a legally binding agreement. The original terms of the Contract can only be altered thereafter with the agreement of the parties expressed in writing. All parties have the right to be represented by an attorney and are encouraged to seek competent advice if they do not understand any term(s) of the Contract. The broker/agent is required to promptly submit all written Contract offers to the Seller.

**2. INTENDED USE:** The use of a particular property may be limited or restricted as a result of zoning laws, local ordinances and/or restrictive covenants applicable to the property. The Contract of Sale form provided by the broker/agent is designed and intended for use only in the purchase and sale of single-family residences or unimproved residential property. If Buyer intends to use a property for any other purpose, the standard Contract of Sale form may not adequately serve to protect Buyer's interests without the addition of an appropriate clause or addendum conditioning the Contract offer upon a determination that Buyer's intended use of the Property will be permitted.

**3. SETTLEMENT:** All persons to be in title and/or responsible where a mortgage is to be created should be present at the time of settlement and may be required to provide proper identification. Prior to settlement, a lender normally requires that Buyer obtain and provide a fully paid homeowner's insurance policy, a termite inspection report, and various certifications which may be applicable to improved properties. Buyer should be prepared at the time of settlement to pay the settlement costs and the balance due under the Contract. Buyer must provide cash, wired funds, bank check or certified check for amounts to be paid at settlement. In some cases, Seller may be required to provide funds in excess of the sales proceeds in order for settlement to occur, in which event, Seller also should be prepared to make payment in an approved form. Any party uncertain of the amount required at settlement should make inquiry of the title company or settlement attorney prior to settlement. Buyer should establish gas, electric and water service in Buyer's name commencing the day of settlement.

**4. GROUND RENT:** If a Property is subject to an existing ground rent as provided in a lease recorded among the Land Records, or if a ground rent is to be created, Seller will make those disclosures required by law by an appropriate additional clause or addendum to the Contract.

**5. RENTAL:** If any portion of the Property is to be rented to tenants by Buyer, the local government may require that the Property be registered prior to any rental and a yearly registration fee may be assessed by the local government. You may call the appropriate government office for further information. If the Property is now or has been rented to tenants, local laws may give the tenants certain rights to purchase the Property. These rights are set forth in the Contract. Effective October 1, 1994, certain disclosures are required regarding the presence of lead paint in certain rental properties.

**6. EQUAL HOUSING OPPORTUNITY:** A REALTOR® is required by federal, state and local law, and the Code of Ethics of the National Association of REALTORS® to treat all parties in a non-discriminatory manner without regard to race, color, creed, age, religion, national origin, sex, marital status, familial status, physical or mental disability, occupation, sexual orientation or preference, or other protected classifications under Fair Housing Laws.

**7. HOMEOWNER ASSOCIATIONS/CONDOMINIUMS:** If a Property is part of a development subject to the imposition of mandatory fees as defined by the Maryland Homeowners Association Act, and/or a condominium unit, Seller will make the required disclosures by an appropriate addendum to the Contract.

**8. COVENANTS AND RESTRICTIONS AFFECTING PROPERTY:** A majority of homes, whether new or re-sale, located in a subdivision are subject to certain restrictions applicable to the use of the Property as well as the construction of certain improvements to the Property. Such restrictions are referred to as covenants and, in the case of Property subject to a Homeowners Association or Condominium Association, the covenants are contained in a Declaration of Covenants and Restrictions as well as the Bylaws of the Association. However, many properties are also subject to covenants even though the Property is not subject to a Homeowners Association or Condominium Association. Buyers are encouraged to inquire as to any covenants and restrictions which may be applicable to the Property which is being considered for purchase.

**9. PRIVATE AGREEMENTS:** Some communities may be subject to agreements, covenants or restrictions relating to the cost of certain maintenance items, restricting the use of properties or dealing with other matters. For example, properties sharing a driveway are often subject to such agreements. These private agreements do not fall within the required disclosures of HOA or condominium laws and may or may not be recorded. Buyer should make inquiries of Seller prior to or at the time of Contract.



**10. WETLANDS, WATERWAYS AND/OR FLOOD PLAINS:** Buyer is advised that, if all or a portion of the Property has wetlands and/or waterways or is located in a designated flood plain, the approval of the U.S. Army Corps of Engineers (the "Corps"), the Maryland Department of Natural Resources and other federal, state or local agencies may be necessary before a building permit for either new construction or expansion or improvement of the Property can be issued. Additionally, the future use of existing improved property may be restricted due to the presence of waterways, wetlands, and/or flood plains. Information as to wetlands, waterways and/or flood plains can be obtained from the District Office of the Corps at (410) 962-3670, the Maryland Department of Natural Resources at 1-877-620-8DNR (8367) or the Office of Planning and Zoning of the county or city in which the Property is situated. The Buyer expressly assumes the risk that the Property may be subject to restrictions due to the presence of waterways, wetland, and/or flood designations.

**11. REFORESTATION:** (Note: Applicable to property containing 40,000 or more square feet of land.) Buyer is hereby advised that if Buyer intends to apply for subdivision or site plan approval or a grading or sediment control permit upon the Property, applicable City or County law may require as a condition of such approval that Buyer submit plans acceptable to the City/County for establishing new tree cover, planting trees to replace forest which has been recently removed, and conserving the cutting and clearing of trees in accordance with applicable laws and regulations.

**12. CHESAPEAKE BAY CRITICAL AREA:** If all or a portion of a Property is located within 1,000 feet of tidal waters of the Chesapeake Bay, there may be restrictions on the use and/or development of the Property. Additional information regarding the Chesapeake Bay Critical Areas is available from the Critical Areas Program established by the local government of each county in Maryland and Baltimore City.

**13. BWI AIRPORT NOTICE:** Some properties may be located in the Baltimore/Washington International Airport Noise Zone. A Buyer desiring to obtain a copy of Noise Zone Maps may do so by calling the Office of Noise, Real Estate and Land Use Compatibility at 410-859-7375 or email [maanoiseabatement@mdot.state.md.us](mailto:maanoiseabatement@mdot.state.md.us). Information regarding the location of other airports and their operations may be obtained by calling the local zoning office for the area in which the Property is located.

**14. INSURANCE:** Buyer acknowledges that, as a condition of making a mortgage loan, lenders may require proof of hazard insurance coverage and may also require flood insurance coverage.

**15. PROPERTY CONDITION (HOME INSPECTION):** If the appropriate contingency is included in the Contract, home inspection firms may be employed to inspect the condition of the Property, including central heating and cooling systems and components, plumbing and electrical systems and components, the roofing, exterior and interior walls, ceilings and floors, foundation and/or basement (including chronic water penetration). If the Property is part of a condominium, Buyer's rights include access to the common areas to perform the inspection.

**16. PRIVATE WATER AND SEWAGE SYSTEMS:** Many properties are serviced by wells and/or private water and/or sewage systems. Local laws or lenders may require various tests and/or inspections. If the Property is serviced by any such system, this should be addressed by a separate addendum to the Contract.

**17. ENVIRONMENTAL CONSIDERATIONS; HAZARDOUS MATERIALS:** There are many hazardous materials that could affect a Property. The Brokers and their agents will generally have no knowledge of these hazardous materials and do not have the technical expertise to ascertain or advise you of the presence or significance of these hazardous materials. Buyer has the right to request, as a condition of an offer and, subject to acceptance by the Seller, the employment of a specialist of Buyer's choice to provide an analysis of hazardous materials which may be present. Hazardous materials inside the home can include, but are not limited to, cleaning chemicals, paint, asbestos, radon, lead paint, petroleum products, lawn and garden chemicals and indoor air pollutants that can accumulate. Hazardous materials outside the home can include, but are limited to, those found in contaminated land, water, landfills and other disposal sites, industrial air and water emissions, radiation from high tension wires, and those which may be present in underground storage tanks. Generally, additional information pertaining to these materials is available from the Maryland Department of the Environment (MDE) at (410) 537-3000.

**18. FIRE-RETARDANT TREATED PLYWOOD:** The use of fire-retardant treated (FRT) plywood as roof sheathing may result in the loss of wood strength through thermal degradation. The extent of such degradation depends upon the particular fire-retardant treatment used as well as the temperature levels and the degree of moisture present in the roof and attic systems. Additional information regarding FRT plywood is available from the National Association of Homebuilders at (800) 368-5242. For information as to whether a Property was constructed with FRT plywood, Buyer may contact the local Department of Building Inspections and Permits and/or request that a home inspector determine the condition of FRT plywood if present.

**19. RADON:** The MDE and the U.S. Environmental Protection Agency (EPA) have found levels of naturally occurring radon in some areas of Maryland that exceed the levels considered acceptable by the EPA. Studies have shown that extended exposure to high levels of radon can adversely affect your health. Radon testing firms in the area have special equipment to detect elevated levels of radon on a Property. They can also recommend actions to be taken to decrease concentrations of radon to an acceptable level. Buyer is advised to contact the Center for Radiological Health at the MDE at (410) 537-3000 for further information on radon.

**20. LEAD PAINT:** The MDE has found that many homes built before 1978 contain lead paint, the ingestion of which can be particularly dangerous. The potential dangers of lead paint may be greatly exacerbated by repairs and renovations performed without the assistance of a qualified lead paint removal specialist. Buyer is advised to contact the Lead Paint Poisoning Prevention Division of the MDE at (410) 537-3000 for further information on lead paint. Specialists are available to determine if lead paint has been used in a Property. In some cases, lead paint inspection may be mandatory.

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**21. ASBESTOS:** Asbestos has been used in residential property for insulation, fireproofing, acoustical, decorative and other purposes. Common uses of asbestos include insulation around boilers and pipes, surfacing material, ceiling and floor tiles, roofing material, wallboard, and cement pipe. Improper handling or removal of asbestos during renovations or repairs may damage the asbestos and cause asbestos particles to become airborne, potentially causing health risks. Buyer is advised to contact the MDE at (410) 537-3000 for further information on asbestos.

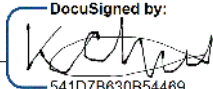
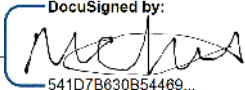

**22. AVAILABILITY OF LIMITED WARRANTY:** A Limited Warranty may be available for purchase through a Broker. Such a Limited Warranty may provide, subject to the terms and conditions of the Limited Warranty, compensation in the event certain named components and/or appliances become inoperable or fail during a specified period of time (usually one year from settlement).

**23. NEWLY CONSTRUCTED RESIDENCES:** a) New Home Warranty Plan: If a Property is a newly constructed dwelling, Maryland law requires that Seller/Builder provide Buyer with a written statement concerning the presence or absence of a New Home Warranty (addendum will be attached); b) Insulation: Seller/Builder must inform Buyer of the location, type and thickness (R Factor) of insulation used in the walls and roof of the newly constructed residence; c) Water/Sewer Service: a Property may be subject to a fee or assessment which purports to cover or defray the cost of installing or maintaining all or part of the public water or waste water facilities serving a subdivision. This fee or assessment may be payable annually. Seller will provide Buyer with a detailed written disclosure of the amount of the fee, the duration of the fee, and any right to prepay or discount the fee.

**24. CERTIFICATIONS:** Depending upon the type of mortgage applied for by Buyer, lenders may require certain certifications that relate to a Property or require inspections/appraisals that certify that a Property is free of specific hazards or conditions.

**25. FHA PREPAYMENT:** FHA regulations specify that if the loan is paid in full on the first day of a month, interest for that month is not payable, but if the loan is paid in full on any day other than the first day of a month, interest may be payable through the end of that month.

**26. NOTICES/FAX TRANSMISSIONS:** Unless otherwise provided herein or in another Addendum, any notice to Buyer shall be effective when delivered to Buyer or an agent of Buyer, and any notice to Seller shall be effective when delivered to Seller or an agent of Seller. Notices under the Contract shall be in writing, and may be hand-delivered, mailed or transmitted by an electronic medium which produces a tangible copy. An electronic copy of a signed offer, acceptance, addendum or notice shall be deemed the equivalent of the original document. While not required, it is suggested that documents with original manual signatures of the parties be forwarded to Buyer and Seller in accordance with the Contract.

7/14/2019		 DocuSigned by: 541D7B630B54469...	Buyer(s)/Tenant(s)
Date		<b>Konstantin Chudnovsky</b>	
7/14/2019		 DocuSigned by: 541D7B630B54469...	Buyer(s)/Tenant(s)
Date		<b>Marina Chudnovsky</b>	
		 dotloop verified 07/15/19 6:03 PM CDT E6XU-UU8U-CAQ4-NQ22	Seller(s)/Owner(s)
Date		<b>Gregory S. Milligan, Receiver</b>	
			Seller(s)/Owner(s)
Date			

This form has been prepared for the sole use of the following Boards/Associations of REALTORS® and their members. Each Board/Association, including its members and employees, assumes no responsibility if this form fails to protect the interests of any party. Each party should seek its own legal, tax, financial and other advice.

The Greater Baltimore Board of REALTORS®, Inc.      Harford County Association of REALTORS®, Inc.  
Carroll County Association of REALTORS®, Inc.      Howard County Association of REALTORS®, Inc.





**NOTICE TO BUYER AND SELLER OF BUYER'S RIGHTS AND SELLER'S OBLIGATIONS UNDER MARYLAND'S SINGLE FAMILY RESIDENTIAL PROPERTY CONDITION DISCLOSURE LAW**

ADDENDUM dated \_\_\_\_\_ to the Contract of Sale between Buyer Konstantin Chudnovsky, Marina Chudnovsky and Seller Gregory S. Milligan, Receiver for Property known as 3018 SUSANNE CT, OWINGS MILLS, MD 21117.

NOTE: This notice does not apply to: (1) the initial sale of single family residential property which has never been occupied, or for which a certificate of occupancy has been issued within one year prior to the date of the Contract; (2) a transfer that is exempt from the transfer tax under Subsection 13-207 of the Tax-Property Article, except land installments contracts of sale under Subsection 13-207(a)(11) of the Tax-Property Article and options to purchase real property under Subsection 13-207(a)(12) of the Tax-Property Article; (3) a sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure; (4) a sheriff's sale, tax sale, or sale by foreclosure, partition or by court appointed trustee; (5) a transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust; (6) a transfer of single family residential real property to be converted by the buyer into a use other than residential use or to be demolished; or (7) a sale of unimproved real property.

Section 10-702 of the Real Property Article of the Annotated Code of Maryland ("Section 10-702") requires that a seller of a single family residential property ("the property") deliver to each buyer, on or before entering into a contract of sale, on a form published and prepared by the Maryland Real Estate Commission, **EITHER:**

- (A) A written property condition disclosure statement listing all defects including latent defects, or information of which the seller has actual knowledge in relation to the following:
  - (i) Water and sewer systems, including the source of household water, water treatment systems, and sprinkler systems;
  - (ii) Insulation;
  - (iii) Structural systems, including the roof, walls, floors, foundation and any basement;
  - (iv) Plumbing, electrical, heating, and air conditioning systems;
  - (v) Infestation of wood-destroying insects;
  - (vi) Land use matters;
  - (vii) Hazardous or regulated materials, including asbestos, lead-based paint, radon, underground storage tanks, and licensed landfills;
  - (viii) Any other material defects, including latent defects, of which the seller has actual knowledge;
  - (ix) Whether the required permits were obtained for any improvements made to the property;
  - (x) Whether the smoke alarms:
    - 1. will provide an alarm in the event of a power outage;
    - 2. are over 10 years old; and
    - 3. if battery operated, are sealed, tamper resistant units incorporating a silence/hush button and use long-life batteries as required in all Maryland homes by 2018; and
  - (xi) If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, whether a carbon monoxide alarm is installed on the property.

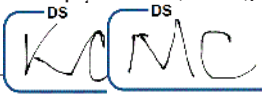
"Latent defects" under Section 10-702 means material defects in real property or an improvement to real property that:

- (i) A buyer would not reasonably be expected to ascertain or observe by a careful visual inspection, and
- (ii) Would pose a threat to the health or safety of the buyer or an occupant of the property, including a tenant or invitee of the buyer;

**OR**

(B) A written disclaimer statement providing that:

- (i) Except for latent defects of which the seller has actual knowledge, the seller makes no representations or warranties as to the condition of the real property or any improvements on the real property; and
- (ii) The buyer will be receiving the real property "as is," with all defects, including latent defects, that may otherwise provided in the contract of sale of the property.

Buyer 

Seller  07/15/19 6:03 PM CDT dotloop verified 

At the time the disclosure or disclaimer statement is delivered to you ("the buyer"), you are required to date and sign a written acknowledgement of receipt on the disclosure or disclaimer statement which shall be included in or attached to the contract of sale.

Section 10-702 further provides that a buyer who receives the disclosure or disclaimer statement on or before entering into a contract of sale does not have the right to rescind the contract based upon the information contained in the disclosure or disclaimer statement.

You are hereby notified that, in certain circumstances, you have the right to rescind your contract with the seller if the seller fails to deliver to you the written property condition disclosure or disclaimer statement. Section 10-702 provides that a buyer who does not receive the disclosure or disclaimer statement on or before entering into the contract has the unconditional right, upon written notice to the seller or seller's agent.

- (i) To rescind the contract at any time before the receipt of the disclosure or disclaimer statement or within 5 days following receipt of the disclosure or disclaimer statement; and
- (ii) To the immediate return of any deposits made on account of the contract.

Your right to rescind the contract under Section 10-702 terminates if not exercised before making a written application to a lender for a mortgage loan, if the lender discloses in writing at or before the time application is made that the right to rescind terminates on submission of the application or within 5 days following receipt of a written disclosure from a lender who has received your application for a mortgage loan, if the lender's disclosure states that your right to rescind terminates at the end of that 5 day period.

Your rights as a buyer under Section 10-702 may not be waived in the contract and any attempted waiver is void. Your rights as the buyer to terminate the contract under Section 10-702 are waived conclusively if not exercised before:

- (i) Closing or occupancy by you, whichever occurs first, in the event of a sale; or
- (ii) Occupancy, in the event of a lease with option to purchase.

The information contained in the property condition disclosure statement is the representation of the seller and not the representation of the real estate broker or sales person, if any. A disclosure by the seller is not a substitute for an inspection by an independent professional home inspection company. You should consider obtaining such an inspection. The information contained in a disclosure statement by the seller is not a warranty by the seller as to the condition of the property of which condition the seller has no actual knowledge or other condition, including latent defects, of which the seller has no actual knowledge. The seller is not required to undertake or provide an independent investigation or inspection of the property in order to make the disclosures required by Section 10-702. The seller is not liable for an error, inaccuracy or omission in the disclosure statement if the error, inaccuracy or omission was based upon information that was not within the actual knowledge of the seller or was provided to the seller by a third party as specified in Section 10-702(i) or (j).

You may wish to obtain professional advice about the property or obtain an inspection of the property.

The undersigned buyer(s) and seller(s) acknowledge receipt of this notice on the date indicated below and acknowledge that the real estate licensee(s) named below have informed the buyer(s) and the seller(s) of the buyer(s)' rights and the seller(s)' obligations under Section 10-702.


DocuSigned by:  
  
 B 7/14/2019  
 541D7B630B54489... Date  
**Konstantin Chudnovsky**

DocuSigned by:  
  
 B 7/14/2019  
 541D7B630B54489... Date  
**Marina Chudnovsky**

DocuSigned by:  
  
 AG 7/14/2019  
 BB50068615DA49B... Date  
**Alex Fox**

  
 dotloop verified  
 07/15/19 6:03 PM CDT  
 QARY-ZKMF-W00Z-YJM3  
 Seller's Signature Date  
**Gregory S. Milligan, Receiver**

Seller's Signature Date

  
 dotloop verified  
 07/15/19 6:20 PM EDT  
 CHVY-ZXJL-TOO3-YZVG  
 Agent's Signature Date  
**Diane M Donohue**

ADDENDUM dated \_\_\_\_\_ to Contract of Sale  
between Buyer Konstantin Chudnovsky, Marina Chudnovsky  
and Seller Gregory S. Milligan, Receiver  
for Property known as 3018 SUSANNE CT, OWINGS MILLS, MD 21117

The following provisions are included in and supersede any conflicting language in the Contract.

The Property is sold in "AS IS" condition as of the Date of Contract Acceptance. Seller makes no warranty, express or implied, as to the condition of the Property or any equipment or system contained therein. Seller agrees to comply with Section 10-702 of the Real Property Article of the Annotated Code of Maryland if applicable (*Residential Property Disclosure and Disclaimer*). **The parties agree that all paragraphs in the Contract pertaining to property condition (Paragraph 22) and wood destroying insects (Paragraph 19) are hereby deleted from the Contract except that Buyer retains the right to walk through the Property within five (5) days prior to settlement.**

Buyer and Seller agree to initial only one of the following:

**A. "AS IS" WITHOUT INSPECTION(S)**

The Property is sold in "AS IS" condition as of the Date of Contract Acceptance without any inspection(s) or contingencies regarding the condition of the Property.

**B. "AS IS" WITH INSPECTION(S) AND RIGHT TO TERMINATE**

The Property is sold in "AS IS" condition as of the Date of Contract Acceptance. Buyer, at Buyer's expense, may have the Property inspected. In the event Buyer is dissatisfied with the results of any inspection(s), Buyer, upon written notice to Seller given within \_\_\_\_\_ Days from the Date of Contract Acceptance, shall have the unconditional right to terminate the Contract. If Buyer elects to terminate the Contract, the Contract shall become null and void, and Deposit(s) shall be disbursed in accordance with the Deposit paragraph of the Contract. If Buyer fails to have inspection(s) performed or fails to submit written notice of termination within the time period specified, Buyer shall have no right thereafter to terminate the Contract and the Contract shall remain in full force and effect.

Seller shall make the Property accessible for such inspection(s) and shall have utilities in service at the time of the inspection. Neither Buyer, nor any agent or contractor(s) of Buyer, shall in any way excavate, penetrate or otherwise damage any part of the Property without the prior written consent of Seller nor shall any furnishings, boxes, or personal property belonging to Seller be moved or relocated unless absolutely necessary in connection with the inspection(s). If the Property is part of a condominium, Buyer will be given access to the common areas to perform the inspection(s). Buyer and Seller shall have the right to be present during the inspection(s), and Buyer shall give Seller reasonable advance notice of the date and time of any inspection(s).

If Buyer or Buyer's agents or contractors damage the Property during any inspection(s), Buyer shall be responsible for all costs incurred in correcting such damage. Buyer's responsibility for all costs incurred in correcting any damage shall survive termination of the Contract.

**All other terms and conditions of the Contract of Sale remain in full force and effect.**

DocuSigned by: Konstantin Chudnovsky 7/14/2019  
Date  
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DocuSigned by: Marina Chudnovsky 7/14/2019  
Date  
541D7B630B54469...  
Marina Chudnovsky

Gregory S. Milligan, Receiver dotloop verified 07/15/19 6:03 PM CDT SZYX-RVRF-WL0F-MR8X  
Seller Signature Date  
Gregory S. Milligan, Receiver  
Seller Signature Date



**DISCLOSURE OF LICENSEE STATUS**

Buyer(s)/Tenant(s): Konstantin Chudnovsky, Marina Chudnovsky

Seller(s)/Landlord(s): Gregory S. Milligan, Receiver

Property Address: 3018 SUSANNE CT, OWINGS MILLS, MD 21117

This is to give notice that Konstantin Chudnovsky (INSERT NAME) hereby discloses that he/she is a Maryland real estate licensee **AND (CHECK THE APPROPRIATE BOX):**

is the Buyer/Tenant of the Property or, if the Buyer/Tenant of the Property being purchased or leased is a business entity, has an ownership interest in such business entity;

is the Seller/Landlord of the Property or, if the Seller/Landlord of the Property being sold or leased is a business entity, has an ownership interest in such business entity;

is acting on behalf of or representing the Buyer/Tenant who is a member of the real estate licensee's immediate family\*;

is acting on behalf of or representing the Buyer/Tenant who is an employee of the real estate brokerage with which the real estate licensee is affiliated;

is acting on behalf of or representing the Buyer/Tenant who is an employee of a team or group of which the real estate licensee is a member;

is acting on behalf of or representing the Buyer/Tenant who is an employee of the real estate licensee;

is acting on behalf of or representing the Seller/Landlord who is a member of the real estate licensee's immediate family\*;

is acting on behalf of or representing the Seller/Landlord who is an employee of the real estate brokerage with which the real estate licensee is affiliated;

is acting on behalf of or representing the Seller/Landlord who is an employee of a team or group of which the real estate licensee is a member; or

is acting on behalf of or representing the Seller/Landlord who is an employee of the real estate licensee.

**\*Immediate family includes a spouse or domestic partner, child, stepchild, child's spouse, stepchild's spouse, parent, sibling, grandparent, or grandchild.**

DocuSigned by: 7/14/2019  
Konstantin Chudnovsky Signature Date  
541D7B630B54469...

DocuSigned by: 7/14/2019  
Marina Chudnovsky Signature Date  
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Gregory S. Milligan, Receiver dotloop verified  
07/15/19 6:03 PM CDT  
GEZW-FYJ6-U44A-MBVK  
Seller/Landlord Signature Date  
Gregory S. Milligan, Receiver

Seller/Landlord Signature Date



**AMENDMENT/ADDENDUM**

ADDENDUM NUMBER \_\_\_\_\_ to CONTRACT OF SALE/LEASE dated \_\_\_\_\_

BUYER(S)/TENANT(S): Konstantin Chudnovsky, Marina Chudnovsky

SELLER(S)/LANDLORD(S): Gregory S. Milligan, Receiver

PROPERTY: 3018 SUSANNE CT, OWINGS MILLS, MD 21117

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties hereby agree as follows;

Buyer and seller mutually agree to the following:

1. The appraisal contingency is removed. In the event the house does not appraise for the purchase price, buyer will supplement the difference in cash in order to secure a conventional loan.
2. Seller agrees to maintain the BGE service and continue to run the AC to prevent any potential mold development.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

DocuSigned by:  \_\_\_\_\_ (SEAL) 7/14/2019  
541D7B630B54489... \_\_\_\_\_ Date

**Konstantin Chudnovsky**  
 DocuSigned by:  \_\_\_\_\_ (SEAL) 7/14/2019  
541D7B630B54489... \_\_\_\_\_ Date

 \_\_\_\_\_ (SEAL) \_\_\_\_\_  
 Seller/Landlord Date

**Gregory S. Milligan, Receiver**  
 \_\_\_\_\_ (SEAL) \_\_\_\_\_  
 Seller/Landlord Date









**NOTICE TO BUYER AND SELLER OF BUYER'S RIGHTS AND SELLER'S OBLIGATIONS UNDER MARYLAND'S SINGLE FAMILY RESIDENTIAL PROPERTY CONDITION DISCLOSURE LAW**

ADDENDUM dated \_\_\_\_\_ to the Contract of Sale between Buyer Konstantin Chudnovskiy Marina Chudnovskiy and Seller Gregory S Milligan, Receiver for Property known as 3018 Susanne Ct, Owings Mills, MD 21117-1646

NOTE: This notice does not apply to: (1) the initial sale of single family residential property which has never been occupied, or for which a certificate of occupancy has been issued within one year prior to the date of the Contract; (2) a transfer that is exempt from the transfer tax under Subsection 13-207 of the Tax-Property Article, except land installments contracts of sale under Subsection 13-207(a)(11) of the Tax-Property Article and options to purchase real property under Subsection 13-207(a)(12) of the Tax-Property Article; (3) a sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure; (4) a sheriff's sale, tax sale, or sale by foreclosure, partition or by court appointed trustee; (5) a transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust; (6) a transfer of single family residential real property to be converted by the buyer into a use other than residential use or to be demolished; or (7) a sale of unimproved real property.

Section 10-702 of the Real Property Article of the Annotated Code of Maryland ("Section 10-702") requires that a seller of a single family residential property ("the property") deliver to each buyer, on or before entering into a contract of sale, on a form published and prepared by the Maryland Real Estate Commission, EITHER:

- (A) A written property condition disclosure statement listing all defects including latent defects, or information of which the seller has actual knowledge in relation to the following:
  - (i) Water and sewer systems, including the source of household water, water treatment systems, and sprinkler systems;
  - (ii) Insulation;
  - (iii) Structural systems, including the roof, walls, floors, foundation and any basement;
  - (iv) Plumbing, electrical, heating, and air conditioning systems;
  - (v) Infestation of wood-destroying insects;
  - (vi) Land use matters;
  - (vii) Hazardous or regulated materials, including asbestos, lead-based paint, radon, underground storage tanks, and licensed landfills;
  - (viii) Any other material defects, including latent defects, of which the seller has actual knowledge;
  - (ix) Whether the required permits were obtained for any improvements made to the property;
  - (x) Whether the smoke alarms:
    - 1. will provide an alarm in the event of a power outage;
    - 2. are over 10 years old; and
    - 3. if battery operated, are sealed, tamper resistant units incorporating a silence/hush button and use long-life batteries as required in all Maryland homes by 2018; and
  - (xi) If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, whether a carbon monoxide alarm is installed on the property.

"Latent defects" under Section 10-702 means material defects in real property or an improvement to real property that:

- (i) A buyer would not reasonably be expected to ascertain or observe by a careful visual inspection, and
- (ii) Would pose a threat to the health or safety of the buyer or an occupant of the property, including a tenant or invitee of the buyer;

OR

(B) A written disclaimer statement providing that:

- (i) Except for latent defects of which the seller has actual knowledge, the seller makes no representations or warranties as to the condition of the real property or any improvements on the real property; and
- (ii) The buyer will be receiving the real property "as is," with all defects, including latent defects, that may arise provided in the contract of sale of the property.



Buyer KCMC

Seller GSM





**MARYLAND RESIDENTIAL PROPERTY DISCLOSURE AND DISCLAIMER STATEMENT**

Property Address: 3018 Susanne Ct, Owings Mills, MD 21117-1646

Legal Description: \_\_\_\_\_

**NOTICE TO SELLER AND PURCHASER**

Section 10-702 of the Real Property Article, *Annotated Code of Maryland*, requires the owner of certain residential real property to furnish to the purchaser either (a) a RESIDENTIAL PROPERTY DISCLAIMER STATEMENT stating that the owner is selling the property "as is" and makes no representations or warranties as to the condition of the property or any improvements on the real property, except as otherwise provided in the contract of sale, or in a listing of latent defects; or (b) a RESIDENTIAL PROPERTY DISCLOSURE STATEMENT disclosing defects or other information about the condition of the real property actually known by the seller. Certain transfers of residential property are excluded from this requirement (see the exemptions listed below).

10-702. EXEMPTIONS. The following are specifically excluded from the provisions of §10-702:

1. The initial sale of single family residential real property:
  - A. that has never been occupied; or
  - B. for which a certificate of occupancy has been issued within 1 year before the seller and buyer enter into a contract of sale;
2. A transfer that is exempt from the transfer tax under §13-207 of the Tax-Property Article, except land installment contracts of sales under §13-207(a)(11) of the Tax-Property Article and options to purchase real property under §13-207(a)(12) of the Tax-Property Article;
3. A sale by a lender or an affiliate or subsidiary of a lender that acquired the real property by foreclosure or deed in lieu of foreclosure;
4. A sheriff's sale, tax sale, or sale by foreclosure, partition, or by court appointed trustee;
5. A transfer by a fiduciary in the course of the administration of a decedent's estate, guardianship, conservatorship, or trust;
6. A transfer of single family residential real property to be converted by the buyer into use other than residential use or to be demolished; or
7. A sale of unimproved real property.

Section 10-702 also requires the owner to disclose information about latent defects in the property that the owner has actual knowledge of. The owner must provide this information even if selling the property "as is." "Latent defects" are defined as: Material defects in real property or an improvement to real property that:

- (1) A purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property; and
- (2) Would pose a direct threat to the health or safety of:
  - (i) the purchaser; or
  - (ii) an occupant of the real property, including a tenant or invitee of the purchaser.

**MARYLAND RESIDENTIAL PROPERTY DISCLOSURE STATEMENT**

**NOTICE TO SELLERS:** Complete and sign this statement only if you elect to disclose defects, including latent defects, or other information about the condition of the property actually known by you; otherwise, sign the Residential Property Disclaimer Statement. You may wish to obtain professional advice or inspections of the property; however, you are not required to undertake or provide any independent investigation or inspection of the property in order to make the disclosure set forth below. The disclosure is based on your personal knowledge of the condition of the property at the time of the signing of this statement.

**NOTICE TO PURCHASERS:** The information provided is the representation of the Sellers and is based upon the actual knowledge of Sellers as of the date noted. Disclosure by the Sellers is not a substitute for an inspection by an independent home inspection company, and you may wish to obtain such an inspection. The information contained in this statement is not a warranty by the Sellers as to the condition of the property of which the Sellers have no knowledge or other conditions of which the Sellers have no actual knowledge.

How long have you owned the property? \_\_\_\_\_

**Property System: Water, Sewage, Heating & Air Conditioning (Answer all that apply)**

Water Supply     Public     Well     Other \_\_\_\_\_

Sewage Disposal     Public     Septic System approved for \_\_\_\_\_ (# of bedrooms) Other Type \_\_\_\_\_

---

Garbage Disposal     Yes     No

Dishwasher     Yes     No

Heating     Oil     Natural Gas     Electric     Heat Pump Age \_\_\_\_\_     Other \_\_\_\_\_

Air Conditioning     Oil     Natural Gas     Electric     Heat Pump Age \_\_\_\_\_     Other \_\_\_\_\_

Hot Water     Oil     Natural Gas     Electric Capacity \_\_\_\_\_ Age \_\_\_\_\_     Other \_\_\_\_\_

**Please indicate your actual knowledge with respect to the following:**

1. Foundation: Any settlement or other problems?  Yes  No  Unknown

Comments: \_\_\_\_\_

2. Basement: Any leaks or evidence of moisture?  Yes  No  Unknown  Does Not Apply

Comments: \_\_\_\_\_

3. Roof: Any leaks or evidence of moisture?  Yes  No  Unknown

Type of Roof: \_\_\_\_\_ Age \_\_\_\_\_

Comments: \_\_\_\_\_

Is there any existing fire retardant treated plywood?  Yes  No  Unknown

Comments: \_\_\_\_\_

4. Other Structural Systems, including exterior walls and floors:

Comments: \_\_\_\_\_

Any defects (structural or otherwise)?  Yes  No  Unknown

Comments: \_\_\_\_\_

5. Plumbing system: Is the system in operating condition?  Yes  No  Unknown

Comments: \_\_\_\_\_

6. Heating Systems: Is heat supplied to all finished rooms?  Yes  No  Unknown

Comments: \_\_\_\_\_

Is the system in operating condition?  Yes  No  Unknown

Comments: \_\_\_\_\_

7. Air Conditioning System: Is cooling supplied to all finished rooms?  Yes  No  Unknown  Does Not Apply

Comments: \_\_\_\_\_

Is the system in operating condition?  Yes  No  Unknown  Does Not Apply

Comments: \_\_\_\_\_

8. Electric Systems: Are there any problems with electrical fuses, circuit breakers, outlets or wiring?

Yes  No  Unknown

Comments: \_\_\_\_\_

8A. Will the smoke alarms provide an alarm in the event of a power outage?  Yes  No

Are the smoke alarms over 10 years old?  Yes  No

If the smoke alarms are battery operated, are they sealed, tamper resistant units incorporating a silence/hush button, which use long-life batteries as required in all Maryland Homes by 2018?  Yes  No

Comments: \_\_\_\_\_

9. Septic Systems: Is the septic system functioning properly?  Yes  No  Unknown  Does Not Apply

When was the system last pumped? Date \_\_\_\_\_  Unknown

Comments: \_\_\_\_\_

10. Water Supply: Any problem with water supply?  Yes  No  Unknown

Comments: \_\_\_\_\_

Home water treatment system:  Yes  No  Unknown

Comments: \_\_\_\_\_

Fire sprinkler system:  Yes  No  Unknown  Does Not Apply

Comments: \_\_\_\_\_

Are the systems in operating condition?  Yes  No  Unknown

Comments: \_\_\_\_\_

11. Insulation:

In exterior walls?  Yes  No  Unknown

In ceiling/attic?  Yes  No  Unknown

In any other areas?  Yes  No Where? \_\_\_\_\_

Comments: \_\_\_\_\_

12. Exterior Drainage: Does water stand on the property for more than 24 hours after a heavy rain?

Yes  No  Unknown

Comments: \_\_\_\_\_

Are gutters and downspouts in good repair?  Yes  No  Unknown

Comments: \_\_\_\_\_

13. Wood-destroying insects: Any infestation and/or prior damage?  Yes  No  Unknown

Comments: \_\_\_\_\_

Any treatments or repairs?  Yes  No  Unknown  
Any warranties?  Yes  No  Unknown

Comments: \_\_\_\_\_

14. Are there any hazardous or regulated materials (including, but not limited to, licensed landfills, asbestos, radon gas, lead-based paint, underground storage tanks, or other contamination) on the property?  Yes  No  Unknown

If yes, specify below

Comments: \_\_\_\_\_

15. If the property relies on the combustion of a fossil fuel for heat, ventilation, hot water, or clothes dryer operation, is a carbon monoxide alarm installed in the property?

Yes  No  Unknown

Comments: \_\_\_\_\_

16. Are there any zoning violations, nonconforming uses, violation of building restrictions or setback requirements or any recorded or unrecorded easement, except for utilities, on or affecting the property?  Yes  No  Unknown

If yes, specify below

Comments: \_\_\_\_\_

16A. If you or a contractor have made improvements to the property, were the required permits pulled from the county or local permitting office?  Yes  No  Does Not Apply  Unknown

Comments: \_\_\_\_\_

17. Is the property located in a flood zone, conservation area, wetland area, Chesapeake Bay critical area or Designated Historic District?  Yes  No  Unknown If yes, specify below

Comments: \_\_\_\_\_

18. Is the property subject to any restriction imposed by a Home Owners Association or any other type of community association?  Yes  No  Unknown If yes, specify below

Comments: \_\_\_\_\_

19. Are there any other material defects, including latent defects, affecting the physical condition of the property?  Yes  No  Unknown

Comments: \_\_\_\_\_

**NOTE: Owner(s) may wish to disclose the condition of other buildings on the property on a separate RESIDENTIAL PROPERTY DISCLOSURE STATEMENT.**

The owner(s) acknowledge having carefully examined this statement, including any comments, and verify that it is complete and accurate as of the date signed. The seller(s) further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Seller(s) \_\_\_\_\_ Date \_\_\_\_\_  
**Gregory S Milligan, Receiver**

Seller(s) \_\_\_\_\_ Date \_\_\_\_\_

The purchaser(s) acknowledge receipt of a copy of this disclosure statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Purchaser \_\_\_\_\_ Date \_\_\_\_\_

Purchaser \_\_\_\_\_ Date \_\_\_\_\_

MARYLAND RESIDENTIAL PROPERTY DISCLAIMER STATEMENT

NOTICE TO SELLER(S): Sign this statement only if you elect to sell the property without representations and warranties as to its condition, except as otherwise provided in the contract of sale and in the listing of latent defects set forth below; otherwise, complete and sign the RESIDENTIAL PROPERTY DISCLOSURE STATEMENT.

Except for the latent defects listed below, the undersigned owner(s) of the real property make no representations or warranties as to the condition of the real property or any improvements thereon, and the purchaser will be receiving the real property "as is" with all defects, including latent defects, which may exist, except as otherwise provided in the real estate contract of sale. The seller(s) acknowledge having carefully examined this statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Section 10-702 also requires the seller to disclose information about latent defects in the property that the seller has actual knowledge of. The seller must provide this information even if selling the property "as is." "Latent defects" are defined as: Material defects in real property or an improvement to real property that:

- (1) A purchaser would not reasonably be expected to ascertain or observe by a careful visual inspection of the real property; and
- (2) Would pose a direct threat to the health or safety of:
  - (i) the purchaser; or
  - (ii) an occupant of the real property, including a tenant or invitee of the purchaser.

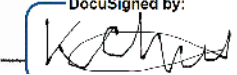
Does the seller(s) have actual knowledge of any latent defects?  Yes  No If yes, specify: ✓

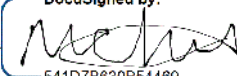
PROPERTY IS EXEMPT	
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Seller Gregory S Milligan, Receiver Date 06/06/19

Seller \_\_\_\_\_ Date \_\_\_\_\_

The purchaser(s) acknowledge receipt of a copy of this disclaimer statement and further acknowledge that they have been informed of their rights and obligations under §10-702 of the Maryland Real Property Article.

Purchaser  Date 7/14/2019

Purchaser  Date 7/14/2019

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**BALTIMORE COUNTY NOTICES AND DISCLOSURES ADDENDUM**  
(For use with Maryland Association of REALTORS® Residential Contract of Sale)

ADDENDUM NUMBER \_\_\_\_\_ dated \_\_\_\_\_ to CONTRACT OF SALE (the  
"Contract") dated \_\_\_\_\_

BUYER: Marina Chudnovskiy Konstantin Chudnovskiy

SELLER: Gregory S Milligan, Receiver

PROPERTY: 3018 Susanne Ct, Owings Mills, MD 21117-1646

1. **MASTER PLAN:** Buyer is hereby advised that the Property, or the area in which the Property is located, may be affected by provisions of the current Baltimore County Master Plan. You may wish to review the Master Plan. To become fully informed of current and future land use plans, facilities plans, public works plans or school plans, you should consult the appropriate Baltimore County agency for information regarding such plans. For further information, contact Baltimore County Office of Planning at 410-887-3211, 401 Bosley Avenue, Suite 406, Towson, Maryland, 21204.

Buyer acknowledges that Seller has informed Buyer that (a) the Property may be affected by provisions of the Master Plan and that Buyer may wish to review the Master Plan, and (b) in order to become fully informed of current and future land use plans, facilities plans, public works plans, school plans, or other plans affecting the Property or locality, Buyer should consult the appropriate state, Baltimore County or other authorities for information regarding such plans.

Buyer's Signature  DocuSigned by: 541D7B630B54469... Buyer's Signature  DocuSigned by: 541D7B630B54469...

2. **DEVELOPMENT PLAN:** Buyer is hereby advised that the Property, or the area in which the Property is located, may be affected by the provisions of a development plan. To become fully informed of any current development plan affecting the Property, and in order to have an opportunity to review such development plan, Buyer should contact the appropriate Baltimore agency. For further information, contact Baltimore County Department of Permits and Development Management at 410-887-3353, 111 W. Chesapeake Avenue, Towson, Maryland, 21204.

3. **PANHANDLE LOTS:** Buyer is hereby advised that if the Property is a panhandle lot (as defined in Section 32-4-101 of the Baltimore County Code), the County is not responsible for maintaining the road, removing snow, or providing trash collection along the panhandle driveway. For further information, contact Baltimore County Department of Permits and Development Management at 410-887-3353, 111 W. Chesapeake Avenue, Towson, Maryland, 21204.

4. **AGRICULTURAL OPERATIONS:** If the Property is located in, or within five hundred feet (500') of an R.C. 4 zone, Buyer is hereby advised that the Property may be subject to inconvenience or discomforts arising from agricultural operations, including, but not limited to: operation of machinery of any kind (including aircraft) during any 24-hour period; the storage and disposal of manure; and the application by spraying or otherwise of chemical fertilizers, soil amendments, herbicides and pesticides. Baltimore County shall not consider an agricultural operation to be a public or private nuisance if the operation complies with all federal, state or county health and zoning requirements and is not being conducted in a negligent manner. For further information, contact Baltimore County Department of Permits & Development Management at 410-887-3353, 111 W. Chesapeake Avenue, Towson, Maryland, 21204.

5. **BALTIMORE COUNTY TRANSFER TAX EXEMPTION FOR OWNER-OCCUPIED RESIDENTIAL PROPERTY:** Buyer and Seller are hereby advised that the Baltimore County Transfer Tax does not apply to the first Twenty-Two Thousand Dollars (\$22,000.00) of consideration payable for residentially improved owner-occupied real property. Under Baltimore law, the Buyer will receive the full benefit of this exemption, unless the Seller pays all Baltimore County transfer taxes, in which case Seller will receive the benefit. (initial) \_\_\_\_\_ Seller agrees to pay all Baltimore County transfer taxes.

6. **NOTICE TO BUYER - PRIVATE SEWER AND/OR WATER SUPPLY SYSTEM:** Seller hereby discloses that the Property is  or is not  (Seller to initial applicable provision) served by a public sewer or water supply system and/or is  or is not \_\_\_\_\_ (Seller to initial applicable provision) equipped with a private sewer or water supply system.

PROPERTY 3018 Susanne Ct, Owings Mills, MD 21117-1646

7. PUBLIC WATER OR SEWER FACILITIES; NOTICE TO BUYERS OF REAL ESTATE IN BALTIMORE COUNTY: The Property is subject to a fee or assessment charged under the authority granted to developer pursuant to Section 32-4-310 of the Baltimore County Code, which purports to cover or defray the cost of installing all or part of the public water or sewer facilities constructed by the developer of the subdivision known as \_\_\_\_\_. This fee or assessment is \$ \_\_\_\_\_, payable annually in the month of \_\_\_\_\_ to \_\_\_\_\_ (name and address) (hereinafter called "lienholder") until \_\_\_\_\_. There may be a right of prepayment or discount for early payment which may be ascertained by contacting the lienholder. The fee and assessment is a contractual obligation between the lienholder and each owner of the Property, that runs with the land, and is not in any way, a fee or assessment of Baltimore County.

8. NOTICE TO BUYER: PRIVATE WATER SUPPLY/WELL: (a) If the Property is served by, or intended to be serviced by, a private water supply, attach separate Baltimore County Well Water Notice and Addendum (GBBR form 1451).

(b) ELEVATED LEVELS OF NATURALLY OCCURRING RADIUM: Buyer is notified that Baltimore County Department of Environmental Protection and Resource Management has advised that, as a result of a water quality survey, elevated levels of naturally occurring radium and uranium have been found in some wells located in the Baltimore Gneiss formation. Properties serviced by public water are not impacted. Property Owners in the affected area will be required to test new and replacement wells and, if applicable, install a treatment system (water softener or reverse osmosis), prior to being granted a Certificate of Potability and putting the well into use. There are no regulations that require private owners of existing private wells to meet US EPA drinking water standards for radioactivity. Buyer of property served by private water supply will be provided with the brochure entitled "Radionuclides & Your Well Water: A Homeowner's Guide." For a copy of a general map of Baltimore County showing the potentially affected areas or for further information, Buyer should contact the Baltimore County Department of Environmental Protection and Resource Management at 410-887-2762.

Buyer to initial:

\_\_\_\_\_ If property is served by private water supply, Buyer acknowledges receipt of the brochure entitled "Radionuclides & Your Well Water: A Homeowner's Guide"

9. NOTICE TO BUYER - HOUSE REMOVED FROM FLOOD PLAINS: Seller hereby discloses to Buyer that the house, building or structure which is the subject of the Contract, \_\_\_\_\_ has or has not \_\_\_\_\_ (Seller to initial applicable provision) been removed from a 100-year flood plain located in Baltimore County.

**GSM** HISTORIC OR LANDMARK PROPERTY: Seller hereby discloses to Buyer that the Property is \_\_\_\_\_ or is not \_\_\_\_\_ (Seller to initial applicable provision) located within a historic district under the Baltimore County Code or does \_\_\_\_\_ or does not \_\_\_\_\_ (Seller to initial applicable provision) appear on the Baltimore County preliminary landmarks list or final landmarks list. Buyer acknowledges that if the Property is located within a historic district or appears on either the Baltimore County preliminary or final landmarks list, Buyer's use of the Property shall be subject to the provision of the Baltimore County Code. For further information, contact the Baltimore County Office of Planning at (410) 887-3211, 401 Bosley Avenue, Suite 406, Towson, Maryland 21204.

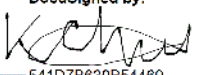
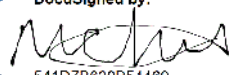

11. RENTAL HOUSING LICENSE -BALTIMORE COUNTY:

- (A) In Baltimore County, all buildings or a portion of a building that contain one to six dwelling units intended or designated as rental units must register and be licensed with Baltimore County on or before January 1, 2009.
- (B) A person who owns and rents a dwelling unit or a portion of a dwelling unit without a license may be subject to the denial, suspension, revocation or non-renewal of the license and/or civil penalties of \$25 per day for each day a violation occurs and \$200 per day for each day a correction notice is not complied with, and there will be a \$1,000 fine for not complying with the Rental Registration Law.



PROPERTY 3018 Susanne Ct, Owings Mills, MD 21117-1646

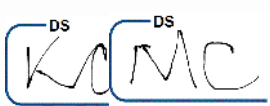
(C) In the event a rental dwelling located in Baltimore County is sold or a change of ownership of the dwelling occurs, the new property owner is required to notify the Baltimore County Department of Permits and Development Management of the change of ownership.

DocuSigned by:		7/14/2019
BUY 	_____	DATE
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DocuSigned by:		7/14/2019
BUY 	_____	DATE
541D7B630B54469...		
	_____	06/06/19
SELLER Gregory S Milligan, Receiver		DATE
SELLER	_____	DATE

This form has been prepared for the sole use of the following Boards/Associations of REALTORS® and their members. Each Board/Association, including its members and employees, assumes no responsibility if this form fails to protect the interests of any party. Each party should seek its own legal, tax, and financial or other advice.

The Greater Baltimore Board of REALTORS®, Inc.	Harford County Association of REALTORS®, Inc.
Carroll County Association of REALTORS®, Inc.	Howard County Association of REALTORS®, Inc.

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**THIRD PARTY APPROVAL ADDENDUM**

**NOT FOR USE IN SHORT SALE TRANSACTIONS WHEN THE MARYLAND REALTORS® SHORT SALE ADDENDUM IS USED**

ADDENDUM dated \_\_\_\_\_ to Contract of Sale  
between Buyer \_\_\_\_\_  
and Seller Gregory S Milligan, Receiver  
for Property known as 3018 Susanne Ct, Owings Mills, MD 21117-1646

The Contract, including all addenda thereto, is contingent upon approval by \_\_\_\_\_  
\_\_\_\_\_ (the "Third Party"). A Notice of approval is not  
required. A Notice of disapproval is required.

Check one:

Buyer is responsible for delivering written notice of disapproval, if any, to Seller.

Seller is responsible for delivering written notice of disapproval, if any, to Buyer.

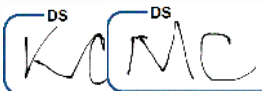
If the Contract is not approved by the Third Party, written notice of disapproval of the Contract must be delivered as indicated above within \_\_\_\_\_ ( \_\_\_\_\_ ) days from the Date of Contract Acceptance. In the event written notice of disapproval is timely delivered, the Contract, without further notice, shall be null and void and of no further legal force and effect and all deposits shall be disbursed in accordance with the Deposit paragraph of the Contract. If written notice of disapproval is not timely delivered, this Addendum, without further notice, shall be null and void, and the Contract shall remain in full force and effect.

DocuSigned by:  
  
541D7B630B54469... \_\_\_\_\_ Date

Seller's Signature \_\_\_\_\_ Date 08/08/19  
Gregory S Milligan, Receiver

DocuSigned by:  
  
541D7B630B54469... \_\_\_\_\_ Date

\_\_\_\_\_  
Seller's Signature \_\_\_\_\_ Date



Case 1:18-cv-02844-RDB Document 182-2 Filed 08/01/19 Page 34 of 60  
**AMENDMENT/ADDENDUM**

ADDENDUM NUMBER 1 to CONTRACT OF SALE/ LEASE July 10, 2019

BUYER(S)/TENANT(S): Konstantin Chudnovsky, Marina Chudnovsky

SELLER(S)/LANDLORD(S): Gregory Milligan, Receiver

PROPERTY: 3018 Susanne Court, Owings Mills, MD 21117

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties hereby agree as follows;  
BUYER AND SELLER ACKNOWLEDGE THAT THIS CONTRACT IS CONTINGENT UPON THE UNITED STATES DISTRICT COURT FOR THE DISTRICT OF MARYLAND ("COURT") APPROVING THE PURCHASE PRICE AND TERMS OF THIS CONTRACT IN ACCORDANCE WITH THE SALE PROCEDURES REQUIRED IN CONNECTION WITH CASE NO. 1:18-CV-02844-RDB, WHICH BUYER HAS HAD THE OPPORTUNITY TO REVIEW PRIOR TO EXECUTION OF THIS CONTRACT.

SELLER SHALL FILE A MOTION WITH THE COURT AS SOON AS PRACTICABLE AFTER EXECUTION TO APPROVE THE SALE AND TERMS OF THE SALES CONTRACT. SELLER AGREES TO DILIGENTLY PURSUE APPROVAL OF THE SALE FROM THE COURT, INCLUDING BUT NOT LIMITED TO, FILING ANY REQUIRED SUPPLEMENTAL NOTICES AND/OR MOTIONS IN CONNECTION WITH SAID MOTION.

IF SELLER DOES NOT OBTAIN APPROVAL OF THE SALE FROM THE COURT WITHIN SIXTY (60) DAYS OF THE EFFECTIVE DATE THIS CONTRACT SHALL BE DEEMED TERMINATED AND THE DEPOSITS MADE BY BUYER SHALL BE IMMEDIATELY REFUNDED TO THE BUYER, THEREBY RELEASING THE PARTIES FROM ALL OBLIGATIONS UNDER THIS CONTRACT, EXCEPT IN THE EVENT THE PARTIES SHOULD AGREE OTHERWISE.

All other terms and conditions of the Contract shall remain the same and in full force and effect.

KC \_\_\_\_\_ 7/15/2019

Buyer/Tenant \_\_\_\_\_ Date

M Chud \_\_\_\_\_ 7/15/2019

Buyer/Tenant \_\_\_\_\_ Date

Gregory S Milligan, Receiver \_\_\_\_\_

Seller/Landlord \_\_\_\_\_ Date

\_\_\_\_\_

Seller/Landlord \_\_\_\_\_ Date



IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
KEVIN B. MERRILL, et al., )  
 )  
Defendants. )

Case No.: 1:18-cv-02844-RDB

RECEIVER GREGORY S. MILLIGAN’S MOTION FOR APPROVAL OF  
PROCEDURES FOR SALE OF REAL PROPERTY AND RETENTION OF SOTHEBY’S  
INTERNATIONAL REALTY, INC. AS BROKER

Receiver Gregory S. Milligan, of the firm Harney Management Partners, LLC (the “Receiver”), with the consent of the Securities and Exchange Commission (the “SEC”) and the Office of the United States Attorney (the “U.S. Attorney’s Office”), respectfully moves the Court for an order (1) approving proposed procedures for the sale of the residential real property held by the Receiver (the “Real Property Sales Procedures”), and (2) authorizing the Receiver to retain and employ Sotheby’s International Realty, Inc.<sup>1</sup> (“Sotheby’s”) as broker of the residential real property pursuant to the fee proposal (the “Motion”). The facts and circumstances supporting this Motion are set forth in the Declaration of Gregory S. Milligan (the “Milligan Declaration”), which is attached hereto as Exhibit A. In further support of this Motion, the Receiver states as follows:

<sup>1</sup> <https://www.sothebysrealty.com/eng>



## I. BACKGROUND

1. Currently, the real property of the Receivership Estate<sup>2</sup> consists of real property located in Florida, Maryland, Nevada, and Texas. As stated in the Receiver's Initial Preservation Plan, the Receiver has identified the following real property as property of the Receivership Estate:

- 1055 Spyglass Lane, Naples, Florida 34102;
- 1848 Circle Road, Towson, Maryland 21204;
- 27776 Sharp Road, Easton, Maryland 21601;
- 531 Hampton Lane, Baltimore, Maryland 21286;
- 3018 Susanne Court, Owings Mills, Maryland 21117;
- 1718 Greenspring Valley Road, Stevenson, Maryland 21153;
- 9017 Grove Crest Lane, Las Vegas, Nevada 89134;
- 1132 Glade Road, Colleyville, Texas 76034;
- 1650 Cedar Hill, Dallas, Texas 75208;
- 2308 Cedar Elm Terrace, Westlake, Texas 76262; and
- 2801 Paramount Boulevard, Amarillo, Texas 79109

(the "Real Property"). See Dkt. No. 54 at 17. The Real Property includes property owned by the Receivership Parties and as further identified in the First Amended Order Appointing Receiver. See Dkt. No. 62 at 3. The Receiver is unaware of additional parcels of Real Property at this time, but intends the relief requested herein to control the disposition of any subsequently-discovered parcels. The Receiver requests authority to sell the Real Property to carry out his obligations under the Receivership Order.

2. The Receivership Order requires the Receiver to "manage, control, operate, and maintain the Receivership Estate and hold in his possession, custody, and control all Receivership Assets pending further Order of this Court." Dkt. No. 62 at ¶ 8(D). The Receivership Order further requires the Receiver to "take such action as necessary and

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<sup>2</sup> Capitalized terms herein shall have the same meaning as used in the First Amended Order Appointing Temporary Receiver (the "Receivership Order") (Dkt. No. 62) unless otherwise noted.

appropriate for the preservation of Receivership Assets or to prevent the dissipation or concealment of Receivership Assets.” Dkt. No. 62 at ¶ 8(G). The Receivership Order also provides in relevant part that:

[T]he Receiver is authorized to solicit persons and entities (“Retained Personnel”) to assist him in carrying out the duties and responsibilities described in this Order. With the exception of the retention of counsel to represent him in this matter, the Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

Dkt. No. 62 at ¶ 63.

3. The Receiver believes that the sale of the Real Property is in the best interest of the Receivership Estate to maximize the recovery and preservation of Receivership Assets. The Real Property Sales Procedures will assist the Receiver by allowing him to maximize the sales proceeds received from the sale of the Real Property while selling such property in an efficient and cost-effective manner.

## II. REQUESTED RELIEF

### A. Proposed Real Property Sales Procedure.

4. The Receiver seeks Court authorization to adopt the Real Property Sales Procedures proposed by this Motion, and authorization to sell the Real Property in accordance with such procedures. The Receiver anticipates that private sales through use of a qualified broker will maximize the value of the Real Property. Consequently, the Receiver requests authority to sell the Real Property by either public auction or private sale, after consultation with and recommendation from Sotheby’s. *See* Milligan Declaration.

5. Implementation of the Real Property Sales Procedures will enable the Receiver to sell the Real Property in an orderly, efficient, and equitable manner and to maximize the proceeds received from such sales. The Receiver believes that adoption of the Real Property

Sales Procedures and the sale of the Real Property pursuant thereto is in the best interests of the Receivership Estate. *See* Milligan Declaration.

6. The Receiver's proposed Real Property Sales Procedures consist of the following:

- a. Private Sales. If the best interests of the Receivership Estate will be served thereby and after consultation with Sotheby's, the Receiver may seek Court approval to sell certain parcels of the Real Property by traditional private sale. Due to the residential nature of most of the properties, the Receiver anticipates that a private sale after Sotheby's has marketed the Real Property may be the best means to achieve the maximum value for the benefit of the Receivership Estate. The Receiver shall consult with his broker for its expertise concerning the best means of liquidating each parcel of Real Property. If the Receiver determines that it is in the best interest of the Receivership Estate to dispose of some or all of the Real Property by private sale, the Receiver will move this Court for authority to sell the Real Property after providing adequate notice to all interested parties (each, a "Sale Motion"). Each Sale Motion will require all parties with objections to the sale, or with claims to or against the property to be sold, to timely respond to the Sale Motion or be deemed to consent to the sale. Each Sale Motion will contain the following notice language:

This Motion for Sale of Real Property ("Sale Motion") seeks approval of the sale of real property located at [ADDRESS] (the "Real Property"). If you oppose the sale identified in this Sale Motion, or if you have a claim to or against the Real Property, you should immediately contact the undersigned counsel for the Receiver Gregory S. Milligan (the "Receiver"). If you and the Receiver cannot agree, you must file a written objection (or a claim of ownership or interest in the Real Property, identifying the source of your claim) to the proposed sale. Your objection or claim must state why the proposed sale should not be approved by the Court. If no party files a timely objection or claim, the proposed sale may be approved by the Court, thereby authorizing the Receiver to close the sale as soon as practicable.



- b. Notice of Sale Motion. The Sale Motions will be served on all Known Parties of Interest. As used in this Motion, the term “Known Parties of Interest” shall mean: (i) all counsel and/or pro se parties of record who have registered to receive electronic service; (ii) all parties of record in this matter who have not registered to receive electronic service; and (iii) any individuals or entities who hold a recorded lien on the Real Property at issue. Any Known Parties of Interest appearing in this case shall receive a copy of the Sale Motion through the Court’s CM/ECF filing system. All other Known Parties of Interest shall receive a copy of the Sale Motion through regular U.S. Mail. The Sale Motion will act as formal legal notice of the proposed sale and will require all Known Parties of Interest with objections to the proposed sale, or with claims to or against the property to be sold, to timely respond to the Sale Motion or be deemed to consent to the sale. The Receiver will also post a copy of the Sale Motion and proposed order on the Receiver’s website for this case, [www.merrill-ledford.com](http://www.merrill-ledford.com), to provide adequate notice to the public of the proposed sales.
- c. Claims Process. Any party asserting a claim against the Real Property shall be required to file its claim within thirty (30) days of the date of entry of the Order granting this Motion. To the extent that a claim is made to or against the Real Property, the claimant shall describe such claim in detail. The Receiver’s response to any claim against the Real Property shall be due within fourteen (14) days of the date the claim was filed with the Court. If the Receiver fails to respond to the claim, the claim shall be deemed allowed and the Real Property shall be sold subject to the claim. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to allow or deny the claim.





- d. Objections. Any party asserting an objection to a Sale Motion shall be required to file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to a Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer who is willing to purchase the Real Property for an amount that exceeds the proposed sale price in the Sale Motion. The Receiver's response to any objection to a Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and the Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed buyer and terms under the Sale Motion to act as a "stalking horse" bid, subject to higher and better offers.
- e. Sales Free and Clear. If no objection or claim is filed, or if the Court approves the sale subsequent to an objection, the Receiver's sale of the Real Property shall be free and clear of all liens, claims, and encumbrances, unless the Court orders that such liens, claims, or encumbrances shall attach to the proceeds of such sale. All allowed claims shall attach to the proceeds of the sale of such applicable Real Property without need for further Court order. If any party asserts a lien, claim or encumbrance on any Real Property to be sold, such sale may go forward to closing, with a determination of the extent, validity and/or priority of the alleged lien, claim or encumbrance to be made by the Court at a later date.

f. Report of Sales Results. The Receiver shall, when reporting on the Receivership Estate generally, report on the results of all sales of Real Property that closed prior to the date of the report.

**B. Employment and Retention of Sotheby's.**

7. The Receivership Order authorizes the Receiver to enter into such agreements with personnel to assist the Receiver to carry out his duties and responsibilities under the Receivership Order after receiving Court approval.

8. The Receiver seeks to retain Sotheby's to represent the Receiver as the sales agent and broker for the marketing and sale of certain Real Property.<sup>3</sup> The Receiver wishes to employ Sotheby's pursuant to terms and conditions similar to those set forth in the fee proposal (the "Fee Proposal") described in the Milligan Declaration.

9. Sotheby's is comprised of over 285 licensed salespeople and brokers who work with clients to buy, rent or sell luxury real estate throughout the United States. The Receiver's representation will be managed by Sotheby's broker Tess Chaney, an experienced licensed salesperson maintaining an office at 50 Briar Hollow Lane, Suite 700W, Houston, Texas. The Receiver believes that the Sotheby's team is qualified to represent the Receiver based on their years of experience and knowledge of luxury residential real estate markets across the United States. *See* Milligan Declaration.

10. The Receiver requires the knowledge and experience of Sotheby's in the luxury residential real estate market to effectively market and sell the Real Property. *See* Milligan

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<sup>3</sup> At this time, the Receiver contemplates that Sotheby's will be marketing all of the Real Property except for the Paramount Boulevard, Cedar Elm Terrace, and Glade Road properties. The Receiver will seek authority for a broker for the Amarillo property through separate motion. *See* Milligan Declaration.

Declaration. The Receiver believes that Sotheby's and its brokerage team are qualified to represent the Receiver in the marketing and sale, upon Court order, of the Real Property for the benefit of the Receivership Estate. *See* Milligan Declaration.

11. The professional services that Sotheby's will render to the Receiver for the benefit of the Receivership Estate shall include providing advice and assistance in the marketing and sale of the Real Property. In addition, Sotheby's will assist the Receiver by maintaining the Real Property prior to the disposition of the Real Property. Sotheby's will assist the Receiver in evaluating the offers and selecting the best offer.

12. The Receiver seeks approval to pay Sotheby's fees in connection with the marketing, sale and maintenance of the Real Property, pursuant to the fee structure set forth in the Milligan Declaration. Sotheby's fees will consist of a commission in the range of 3% to 6% and a flat administrative fee not to exceed \$500.00 which is consistent with industry standards. The Receiver further proposes that any commission or administrative fee to be paid to Sotheby's for its brokerage services will be requested as part of any motion to sell the Real Property and, if such motion is approved, Sotheby's fees shall be paid as part of the closing of the real estate transaction.

13. The Receiver believes that the Sotheby's compensation structure is fair market value, especially in light of Sotheby's national presence and expertise in the luxury home market. The Receiver believes that engaging Sotheby's is in the best interests of the Receivership Estate. *See* Milligan Declaration at ¶¶ 12, 20.

### III. CONCLUSION

WHEREFORE, the Receiver respectfully requests that this Court enter an Order: (i) granting the Motion; (ii) authorizing the Receiver to adopt and follow the Real Property Sales



Procedures described in this Motion; (iii) authorizing the Receiver to sell the Real Property, free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds), pursuant to the Real Property Sales Procedures; (iv) approving the Receiver's employment and retention of Sotheby's pursuant to the Fee Proposal; and (v) granting such other relief as the Court deems just and proper.

Date: March 8, 2019.

Respectfully Submitted,

/s/ Lynn H. Butler

Lynn H. Butler, *pro hac vice*  
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*Counsel for Receiver Gregory S. Milligan*

**CERTIFICATE OF SERVICE**

On March 8, 2019, I electronically submitted the foregoing document with the clerk of the court of the U.S. District Court for the District of Maryland, using the electronic case filing system of the court. I hereby certify that I have served all counsel and/or pro se parties of record electronically through the Court's CM/ECF filing system for all parties who have registered to receive electronic service. Additionally, the foregoing document was served on the following parties not registered for Court's CM/ECF filing system as indicated below:

**Defendant Kevin B. Merrill (via U.S. Mail):**

Kevin B. Merrill  
Harford County Detention Center, #1335278  
1030 Rock Spring Rd.  
Bel Air, MD 21014

**Criminal Counsel for Defendant Kevin B. Merrill (via E-Mail and U.S. Mail):**

Elizabeth Genevieve Oyer  
Office of the Federal Public Defender  
100 S Charles St Ste 900 Tower II  
Baltimore, MD 21201  
[liz\\_oyer@fd.org](mailto:liz_oyer@fd.org)

Maggie Grace  
Office of the Federal Public Defender  
100 S Charles St, Tower II, 9th Floor  
Baltimore, MD 21201  
[maggie\\_grace@fd.org](mailto:maggie_grace@fd.org)

**Criminal Counsel for Defendant Jay B. Ledford (via E-Mail and U.S. Mail):**

Harry J Trainor, Jr  
Trainor Billman Bennett and Milko LLP  
116 Cathedral St Ste E  
Annapolis, MD 21401  
[htrain@prodigy.net](mailto:htrain@prodigy.net)

**Criminal Counsel for Defendant Cameron R. Jezierski (via E-Mail and U.S. Mail):**

Joseph J Aronica  
Duane Morris LLP  
505 9th St NW Ste 1000  
Washington, DC 20004  
[jjaronica@duanemorris.com](mailto:jjaronica@duanemorris.com)

**Criminal Counsel for Relief Defendant Amanda Merrill (via E-Mail and U.S. Mail):**

David Z Seide  
5301 Burling Terrace  
Bethesda, MD 20814  
seide.david@gmail.com

**Relief Defendant Lalaine Ledford (via U.S. Mail):**

Lalaine Ledford  
10512 Courtney Cove Ave.  
Las Vegas, NV 89144

**Baltimore County Office of Law (via E-Mail and U.S. Mail):**

Susan B. Dubin  
Baltimore County Office of Law  
400 Washington Avenue  
Towson, Maryland 21204  
sdubin@baltimorecountymd.gov

**Dundalk United Methodist Church (U.S. Mail):**

Dundalk United Methodist Church  
c/o Edward F. Mathus  
6903 Mornington Road  
Baltimore, Maryland 21222

**Lienholders, Tax Assessors, and Other Interested Parties (U.S. Mail):**

Florida Community Bank, N.A.  
2325 Vanderbilt Beach Road  
Naples, Florida 34109

Mortgage Electronic Registration Systems, Inc.  
PO Box 2026  
Flint, Michigan 48501-2026

Collier County, Florida Tax Assessor  
3291 Tamiami Trail East  
Naples, Florida 34112

Maryland Department of Assessments & Taxation  
301 W. Preston Street  
Baltimore, Maryland 21201-2395

Branch Banking and Trust Company,  
A North Carolina Banking Corporation  
PO Box 1290  
Whiteville, North Carolina 28472

Talbot County, Maryland Finance Office  
Talbot County Courthouse  
11 North Washington Street, Suite 9  
Easton, Maryland 21601

HSBC Bank USA, National Association, as trustee of  
J.P. Morgan Alternative Loan Trust 2006-A5  
c/o Howard n. Bierman, Trustee  
c/o Select Portfolio Servicing, Inc.  
3815 Southwest Temple  
Salt Lake City, Utah 84115

Clark County, Nevada Tax Assessor  
500 S. Grand Central Parkway  
Las Vegas, Nevada 89155

First Financial Bank, N.A. Southlake  
3205 E. Hwy. 114  
PO Box 92840  
Southlake, Texas 76092

Hunter Kelsey of Texas, LLC  
4131 Spicewood Springs Road, Bldg. J-1A  
Austin, Texas 78759

Frost Bank, f/k/a The Frost National Bank  
c/o Michael J. Quilling  
Quilling, Selander Lownds, Winslett & Moser, P.C.  
2001 Bryan Street, Suite 1800  
Dallas, Texas 75201

The City of Colleyville, Texas  
c/o Victoria W. Thomas  
Nichols, Jackson, Dilard, Hager & Smith, L.L.P.  
1800 Lincoln Plaza  
500 North Akard  
Dallas, Texas 75201

Tarrant County, Texas Tax Assessor  
100 E. Weatherford  
Fort Worth, Texas 76196

J Trust  
c/o Hillary RE. Badrow, Trustee  
2801 Paramount Boulevard  
Amarillo, Texas 79109

Dallas Central Appraisal District  
2949 N. Stemmons Freeway  
Dallas, Texas 75247-6195

Bozeman West  
PO Box 1970  
15632 West Main Street  
Bozeman, Montana 59771-1970

Neil A. Patel  
5308 Burgandy Court  
Colleyville, Texas 76034

TIB – The Independent Bankers Bank  
350 Phelps Court, Suite 200  
PO Box 560528i  
Dallas, Texas 75356-0528

Wachovia Mortgage, FSB  
PO Box 659548  
San Antonio, Texas 78265-9548

Denton County Tax Assessor  
1505 E. McKinney Street  
Denton, Texas 76209-4525



Potter County, Texas Tax Assessor  
900 South Polk, Suite 106  
Amarillo, Texas 79101

Wells Fargo Home Mortgage  
P.O. Box 10335  
Des Moines, IA 50306

Albertelli Law  
Attn: Coury M. Jacocks  
2201 W. Royal Lane, Suite 155  
Irving, TX 75063

Samual I. White, P.C.  
5040 Corporate Woods Drive, Suite 120  
Virginia Beach, VA 23462

/s/ Lynn H. Butler

Lynn H. Butler

# EXHIBIT A

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
KEVIN B. MERRILL, et al., )  
 )  
Defendants. )

Case No.: 1:18-cv-02844-RDB

**DECLARATION OF GREGORY S. MILLIGAN IN SUPPORT OF RECEIVER  
GREGORY S. MILLIGAN'S MOTION FOR APPROVAL OF PROCEDURES FOR  
SALE OF REAL PROPERTY AND RETENTION OF SOTHEBY'S INTERNATIONAL  
REALTY, INC. AS BROKER**

Gregory S. Milligan declares, pursuant to 28 U.S.C. § 1746 and under penalty of perjury,  
that the following is true and correct:

1. My name is Gregory S. Milligan and I am of sound mind and capable of making this Declaration. I have personal knowledge of the facts stated herein and they are true and correct.
2. I am an Executive Vice President of Harney Management Partners, LLC and a Certified Turnaround Professional.
3. On September 13, 2018, the Court entered the Order Appointing Temporary Receiver (Dkt. No. 11) that appointed me as the Receiver for the estates of the Receivership Parties in the civil action styled *Securities and Exchange Commission v. Kevin B. Merrill, et al.*, Case No.: 1:18-cv-02844-RDB pending in the United States District Court for the District of Maryland. On November 27, 2018, the Court entered the First Amended Order Appointing Temporary Receiver (Dkt. No. 62) (collectively, the "Receivership Order") clarifying the Receiver's authority and identifying the Receivership Parties.
4. The Receivership Order requires me to "manage, control, operate, and maintain the Receivership Estate and hold in his possession, custody, and control all Receivership Assets pending further Order of this Court." Dkt. No. 62 at ¶ 8(D).
5. The Receivership Order further requires me to "take such action as necessary and appropriate for the preservation of Receivership Assets or to prevent the dissipation or concealment of Receivership Assets." Dkt. No. 62 at ¶ 8(G).



6. The Receivership Order also provides in relevant part that:

[T]he Receiver is authorized to solicit persons and entities (“Retained Personnel”) to assist him in carrying out the duties and responsibilities described in this Order. With the exception of the retention of counsel to represent him in this matter, the Receiver shall not engage any Retained Personnel without first obtaining an Order of the Court authorizing such engagement.

Dkt. No. 62 at ¶ 63.

7. Through the Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby’s International Realty, Inc. (“Sotheby’s”) as Broker (the “Motion”), I am seeking Court approval to employ and retain Sotheby’s to market and sell the following real property as property of the Receivership Estate:

- 1055 Spyglass Lane, Naples, Florida 34102;
- 1848 Circle Road, Towson, Maryland 21204;
- 27776 Sharp Road, Easton, Maryland 21601;
- 531 Hampton Lane, Baltimore, Maryland 21286;
- 3018 Susanne Court, Owings Mills, Maryland 21117;
- 1718 Greenspring Valley Road, Stevenson, Maryland 21153;
- 9017 Grove Crest Lane, Las Vegas, Nevada 89134;
- 1650 Cedar Hill, Dallas, Texas 75208;
- 2801 Paramount Boulevard, Amarillo, Texas 79109

(the “Real Property”).

8. At this time, Sotheby’s will be marketing all of the Real Property except for the Paramount Boulevard, Cedar Elm Terrace, and Glade Road properties. I will seek authority for a broker for the Amarillo property through separate motion.
9. I am unaware of any additional parcels of Real Property at this time, but I intend for the relief requested in the Motion to control the disposition of any subsequently-discovered parcels.
10. Sotheby’s is being retained as sales agent and broker for the marketing and sale of the Real Property. Specifically, I am seeking to retain Sotheby’s to (i) advise me whether public auction or private sale is likely to yield the highest value for the Receivership Estate, (ii) effectively market the Real Property, and (iii) arrange any transaction that occurs with respect to the Real Property.
11. I am seeking to employ Sotheby’s pursuant to terms and conditions standard in the residential real estate market as described herein (the “Fee Proposal”). The Fee Proposal consists of both a commission of between 3% and 6% of the sale price of the Real Property and an administrative fee not to exceed \$500.00.

12. Based upon my investigation and business judgment, I believe that the proposed payment to Sotheby's of a commission of between 3% and 6% of the sales price of the Real Property and an administrative fee not to exceed \$500.00 represents a fair market value arrangement.
13. The Fee Proposal for each Real Property sale shall be described and itemized in any motion filed with the Court to approve the sale of the Real Property. The commission and administrative fee may vary slightly depending on the location of the Real Property as industry standards change based upon location.
14. Sotheby's is comprised of over 285 licensed salespeople and brokers who work with clients to buy, rent or sell luxury real estate throughout the United States. If approved by the Court, the Receiver's representation will be managed by Tess Chaney, an experienced licensed sales person maintaining an office at 50 Briar Hollow Lane, Suite 700W, Houston, Texas.
15. I believe that Sotheby's team is qualified to represent me based on their years of experience and knowledge of luxury residential real estate markets across the United States. I believe material efficiencies can be achieved by utilizing the services of a single, national broker with expertise in each of the subject local markets.
16. I have numerous assets to manage, preserve, and potentially liquidate for the benefit of the Receivership Estate, including the Real Property. Pursuant to the Receivership Order, I am required to take such action as necessary and appropriate for the preservation of all Receivership Assets. Dkt. No. 62 at ¶¶ 40, 42. I require the knowledge and experience of Sotheby's to evaluate the best market to dispose of the Real Property and to effectively market and sell the Real Property.
17. I believe that Sotheby's and its team are qualified to broker the Real Property.
18. Sotheby's understands that its fees will be requested as part of the individual motions to sale the Real Property, and if such motion is approved, Sotheby's fees shall be paid as part of the closing of the real estate transaction.
19. Through the Motion, I am also seeking Court authorization to adopt the Real Property sales procedures (the "Real Property Sales Procedures") proposed by the Motion and to sell the Real Property in accordance with such procedures.
20. Implementation of the Real Property Sales Procedures will enable me to sell the Real Property in an orderly, efficient, and equitable manner and to maximize the proceeds received from such sales. I believe that adoption of the Real Property Sales Procedures and the sale of the Real Property pursuant thereto is in the best interests of the Receivership Estate.
21. In my business judgment, the commission and administrative fee proposed by Sotheby's



will result in a net benefit to the Receivership Estate and the Real Property Sales Procedures will reduce the administrative cost to the Receivership Estate. If Sotheby's were required to submit fee applications, the burden of preparing those fee applications would fall on my professionals and would increase the financial burden on the Receivership Estate.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on March 8, 2019.

  
\_\_\_\_\_  
GREGORY S. MILLIGAN



IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND

SECURITIES AND EXCHANGE )  
COMMISSION, )  
 )  
Plaintiff, )  
 )  
v. )  
 )  
KEVIN B. MERRILL, et al., )  
 )  
Defendants. )

Case No.: 1:18-cv-02844-RDB

**AGREED ORDER GRANTING IN PART RECEIVER GREGORY S. MILLIGAN'S**  
**(i) MOTION TO APPROVE SALE PROCEDURES AND RETENTION OF SOTHEYBY'S**  
**INTERNATIONAL REALTY, INC. AND (ii) MOTION TO APPROVE SALE**  
**PROCEDURES AND RETENTION OF PRESTIGE MOTOR CAR IMPORTS, LLC**  
**(Related to Dkt. Nos. 107 & 108)**

This matter is before the Court on the (i) Motion for Approval of Procedures for Sale of Real Property and Retention of Sotheby's International Realty, Inc. as Broker (the "Sotheby's Motion") (Dkt. No. 107) and (ii) Motion to Approve Procedures for Sale of Automobiles and for Order Authorizing Retention, Employment, and Compensation of Prestige Motor Car Imports, LLC as Broker (the "Prestige Motion") (Dkt. No. 108) (the Sotheby's Motion and Prestige Motion are collectively, the "Motions"), filed by Receiver Gregory S. Milligan (the "Receiver"), the Court-appointed Receiver in the above-captioned case. The Court, having considered the Motions and evidence submitted in support thereof, the Receiver's Supplemental Briefing in Support of Sale Motions (Dkt. No. 110), the Certificate of Conference and Stipulation Regarding Sale Motions (the "Stipulation") (Dkt. No. 116), the Certificate of Conference Regarding Sale Motions (Dkt. No. 117), responses or objections, if any, the arguments of counsel, and the pleadings on file, finds that the Motions should be, and hereby are, GRANTED IN PART.

It is therefore ORDERED that:



**A. The Sotheby's Motion.**

1. The Sotheby's Motion is GRANTED IN PART with respect to the following real property owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill:

- 1055 Spyglass Lane, Naples, Florida 34102;
- 1848 Circle Road, Towson, Maryland 21204;
- 27776 Sharp Road, Easton, Maryland 21601;
- 531 Hampton Lane, Baltimore, Maryland 21286;
- 3018 Susanne Court, Owings Mills, Maryland 21117; and
- 1718 Greenspring Valley Road, Stevenson, Maryland 21153.

(collectively, the "Merrill Real Property").

2. The Receiver is authorized to retain and employ Sotheby's International Realty, Inc. ("Sotheby's") as broker of the Merrill Real Property pursuant to the Fee Proposal outlined in the Milligan Declaration.

3. The Real Property Sales Procedures set forth in the Sotheby's Motion are hereby approved and the Receiver is authorized to sell the Merrill Real Property in accordance with the Real Property Sales Procedures.

4. Any party asserting a claim against the Merrill Real Property shall file its claim within thirty (30) days of the date of entry of this Order. To the extent that a claim is made to or against the Merrill Real Property, the claimant shall describe such claim in detail. The Receiver's response to any claim against the Merrill Real Property shall be due within fourteen (14) days of the date the claim was filed with the Court. If the Receiver fails to respond to the claim, the claim shall be deemed allowed and the Real Property shall be sold subject to the claim. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to allow or deny the claim.



5. Any party asserting an objection to a Sale Motion<sup>1</sup> shall file its objection within thirty (30) days of the filing of the Sale Motion. In the event an objection is filed to a Sale Motion, such objecting party shall state why the proposed sale should not be approved by the Court and whether the objecting party has a proposed buyer who is willing to purchase the Merrill Real Property for an amount that exceeds the proposed sale price in the Sale Motion. The Receiver's response to any objection to a Sale Motion shall be due within fourteen (14) days of the date the objection was filed with the Court. If the Receiver fails to respond to the objection, the objection shall be granted and the Sale Motion shall be denied. If the Receiver files a response, the Court may thereafter determine whether a hearing is necessary to (i) approve the sale, (ii) sustain the objection, or (iii) order a public auction with the proposed buyer and terms under the Sale Motion to act as a "stalking horse" bid, subject to higher and better offers.

6. Any commission or administrative fee to be paid to Sotheby's for its brokerage services will be requested and approved as part of any Sale Motion and, if such Sale Motion is approved, Sotheby's fees shall be paid as part of the closing of the real estate transaction.

7. Pursuant to the Stipulation and with the consent of the Office of the United States Attorney (the "U.S. Attorney's Office"), the net proceeds of any sale of Merrill Real Property pursuant to a Sale Motion (the "Proceeds") shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action<sup>2</sup> or further Order of this Court. All rights, reservations, claims, defenses, and objections of Relief Defendant Amanda Merrill, Plaintiff Securities and Exchange Commission (the "SEC"), and the Receiver are

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<sup>1</sup> The term "Sale Motion" herein shall have the same meaning as used in the Sotheby's Motion.

<sup>2</sup> The term "SEC Action" herein shall mean the civil action styled *Securities and Exchange Commission v. Kevin Merrill, et al.*, Case No. 18-cv-02844-RDB, in the United States District Court for the District of Maryland.



preserved pursuant to the terms identified in the Stipulation with respect to distribution of the Proceeds.

8. The Sotheby's Motion is GRANTED IN PART with the express consent of the U.S. Attorney's Office, the Securities and Exchange Commission, Kevin Merrill and Amanda Merrill. As such, the cooperation of any party with regard to the sales of Merrill Real Property as set forth in the Sotheby's Motion and authorized by this Order shall not be construed as a violation of the Restraining Orders entered in *United States of America v. Kevin B. Merrill, Jay B. Ledford, and Cameron R. Jezierski*, Criminal No. RDB-18-0465 (Dkt. Nos. 8 and 10) (the "Restraining Orders").

**B. The Prestige Motion.**

9. The Prestige Motion is GRANTED IN PART with respect to the following vehicles owned or purchased by Defendant Kevin B. Merrill and/or Relief Defendant Amanda Merrill:

- 2018 Cadillac Escalade, VIN No. 1GYS4DKJOJR194076;
- 2015 Harley-Davidson VRSCDX Night Rod, VIN No. 1HD1HHH18FC805081;
- 2015 BMW S1000R Motorcycle, VIN No. WB10D210XFZ352440;
- 2015 Ferrari 458 Spider Especial, VIN No. ZFF78VHA7F0213197;
- 2015 Porsche 918, VIN No. WP0CA2A13FS800561;
- 2016 Mercedes Benz Sprinter 2500, VIN No. WDAPE8CDXGP323201;
- 2018 Cadillac Escalade ESV, VIN No. 1GYS4KKJ4JR384130;
- 2017 Audi R8 5.2 Plus Coupe, VIN No. WUAKBAFX1H7902028;
- 2017 Land Rover Range Rover, VIN No. SALGS5FE7HA341466;
- 2017 Land Rover Range Rover Sport, VIN No. SALWz2FE6HA145282;
- 2017 Rolls Royce Dawn Convertible, VIN No. SCA666D57HU107107;
- 2017 Rolls Royce Wraith Coupe, VIN No. SCA665C58HUX86607;
- 2008 Bugatti Veyron, VIN No. VF9SA25C78M795164;
- 2014 Pagani Huayra, VIN No. ZA9H11RAYYSF76034;
- 2017 Lamborghini Aventador, VIN No. ZHWUT3ZDXHLA05923;
- 2018 Lamborghini Huracan, VIN No. ZHWUS4ZF6JLA10746; and
- 2016 Ford F-150, VIN No. 1FTEW1EG3GFA83463.

(collectively, the "Merrill Vehicles").



10. The Receiver is authorized to employ Prestige Motor Car Imports, LLC as vehicle broker for the Receiver with respect to the Merrill Vehicles pursuant to the Consignment Agreement attached to the David Declaration as Exhibit 1.

11. The Vehicle Sales Procedures set forth in the Prestige Motion are hereby approved and the Receiver is authorized to sell the Merrill Vehicles in accordance with the Vehicle Sales Procedures.

12. Prestige Motor Car Imports, LLC is authorized to receive a commission from the sales proceeds of each Merrill Vehicle in an amount equal to 5.0% of the purchase price without need of further application or Court approval.

13. Prestige Motor Car Imports, LLC is authorized to receive the pre-approved costs incurred for transportation, maintenance, repair, and sale from the sales proceeds of each Merrill Vehicle or, in the event of termination of the Consignment Agreement, from the Receiver.

14. The United States Marshals Service is authorized and ordered to turn over the Merrill Vehicles to Prestige Motor Car Imports, LLC, or its authorized agent, on a mutually agreeable date and time. The Receiver is authorized to pay the storage, maintenance, and other costs incurred by the United States Marshals Service for the Merrill Vehicles.

15. Pursuant to the Stipulation and with the consent of the U.S. Attorney's Office, the net proceeds of any sale of the Merrill Vehicles (the "Proceeds") shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action or further Order of this Court. All rights, reservations, claims, defenses, and objections of Relief Defendant Amanda Merrill, the SEC, and the Receiver are preserved pursuant to the terms identified in the Stipulation with respect to distribution of the Proceeds.



16. The Prestige Motion is GRANTED IN PART with the express consent of the U.S. Attorney's Office, the Securities and Exchange Commission, Kevin Merrill and Amanda Merrill. As such, the cooperation of any party with regard to the sales of Merrill Vehicles as set forth in the Prestige Motion and authorized by this Order shall not be construed as a violation of the Restraining Orders.

**C. Other Real Property and Vehicles.**

17. Defendant Jay B. Ledford has filed an Opposition to the Motions (Dkt. No. 115) in which he objects to any relief requested with respect to the following real property and vehicles:

Real Property

- 9017 Grove Crest Lane, Las Vegas, Nevada 89134;
- 1132 Glade Road, Colleyville, Texas 76034;
- 1650 Cedar Hill, Dallas, Texas 75208;
- 2308 Cedar Elm Terrace, Westlake, Texas 76262; and
- 2801 Paramount Boulevard, Amarillo, Texas 79109.

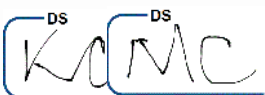
Vehicles

- 2015 Bentley Flying Spur, VIN No. SCBET9ZA7FC042592;
- 2018 Land Range Rover, VIN No. SALGS2RE6JA501496;
- 2016 Ferrari 488 Coupe, VIN No. ZFF79ALA3G0217973; and
- 2016 Tesla Model, VIN No. 5YJSA1E49GF155262.

18. Nothing in this Order is intended to grant or deny any relief in the Motions with respect to the real property and vehicles referenced in paragraph 17 *supra*.

IT IS SO ORDERED, this 29<sup>th</sup> day of April, 2019.

  
 \_\_\_\_\_  
 HON. RICHARD D. BENNETT  
 UNITED STATES DISTRICT JUDGE

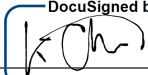
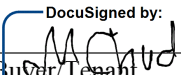



### AMENDMENT/ADDENDUM

ADDENDUM NUMBER \_\_\_\_\_ to CONTRACT OF SALE/LEASE dated \_\_\_\_\_  
 BUYER(S)/TENANT(S): Konstantin Chudnovsky, Marina Chudnovsky  
 SELLER(S)/LANDLORD(S): Gregory S. Milligan, Receiver  
 PROPERTY: 3018 SUSANNE CT, OWINGS MILLS, MD 21117

For valuable consideration, receipt of which is hereby acknowledged, we, the undersigned parties hereby agree as follows;  
**Buyer has obtained a loan commitment. All the contingencies are hereby removed.**

All other terms and conditions of the Contract shall remain the same and in full force and effect.

<p><small>DocuSigned by:</small>          Buyer/Tenant  <small>541D7B630B54469...</small>  <b>Konstantin Chudnovsky</b></p>	<p>_____ (SEAL)</p>	<p>7/29/2019        _____        Date</p>
<p><small>DocuSigned by:</small>          Buyer/Tenant  <small>541D7B630B54469...</small>  <b>Marina Chudnovsky</b></p>	<p>_____ (SEAL)</p>	<p>7/29/2019        _____        Date</p>
<p>        Seller/Landlord  <b>Gregory S. Milligan, Receiver</b></p>	<p>_____ (SEAL)</p>	<p>_____</p>
<p>_____</p>	<p>_____ (SEAL)</p>	<p>_____</p>
<p>Seller/Landlord</p>		<p>Date</p>



# **EXHIBIT 2**

**Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 2 of 27**

Borrower	No Borrower	File No.	3018 Susanne Ct
Property Address	3018 Susanne Ct		
City	Owings Mills	County	Baltimore
		State	MD
		Zip Code	21117
Lender/Client	Harney Partners		

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**FROM:**  
 Classic Appraisal Services  
 39 English Run Circle  
 Sparks Glencoe, MD 21152  
 classicappraisals@comcast.net  
 Telephone Number: 410.937.3902 Fax Number: 410.472.6935

**INVOICE**

INVOICE NUMBER	
3018 Susanne Ct	
DATE	
05/30/2019	
REFERENCE	
Internal Order #:	3018 Susanne Ct
Lender Case #:	
Client File #:	
Main File # on form:	3018 Susanne Ct
Other File # on form:	
Federal Tax ID:	56-2582175
Employer ID:	

**TO:**  
 Harney Partners  
 P.O. Box 90099  
 Austin, TX 78709-0099  
 Telephone Number: (512) 626-1818 Fax Number:  
 Alternate Number: E-Mail: gmilligan@harneypartners.com

**DESCRIPTION**

Lender: Harney Partners Client: Harney Partners  
 Purchaser/Borrower: No Borrower  
 Property Address: 3018 Susanne Ct  
 City: Owings Mills State: MD Zip: 21117  
 County: Baltimore  
 Legal Description: Map 49, Grid 18, Parcel 235, Lot 10

**FEES** **AMOUNT**

Amount due for report	650.00
<b>SUBTOTAL</b>	
	650.00

**PAYMENTS** **AMOUNT**

Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
<b>SUBTOTAL</b>			0

<b>TOTAL DUE</b>		<b>\$ 650.00</b>
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# RESIDENTIAL APPRAISAL REPORT

Case No. 2018-0814-RDB Document No. 82-3 Filed 08/01/19 Page 3 of 9  
 File No. 2018-0814-RDB Document No. 82-3 Filed 08/01/19 Page 3 of 9  
 Property Address: 3018 Susanne Ct City: Owings Mills State: MD Zip Code: 21117

**SUBJECT**  
 County: Baltimore Legal Description: Map 49, Grid 18, Parcel 235, Lot 10 Assessor's Parcel #: 04042200023340  
 Tax Year: 2019 R.E. Taxes: \$ 8,128 Special Assessments: \$ 0 Borrower (if applicable): No Borrower  
 Current Owner of Record: Kevin B Merrill Occupant:  Owner  Tenant  Vacant  Manufactured Housing  
 Project Type:  PUD  Condominium  Cooperative  Other (describe) HOA: \$ per year per month  
 Market Area Name: Worthington Woodsyde Map Reference: BC17B09 Census Tract: 4049.00

**ASSIGNMENT**  
 The purpose of this appraisal is to develop an opinion of:  Market Value (as defined), or  other type of value (describe)  
 This report reflects the following value (if not Current, see comments):  Current (the Inspection Date is the Effective Date)  Retrospective  Prospective  
 Approaches developed for this appraisal:  Sales Comparison Approach  Cost Approach  Income Approach (See Reconciliation Comments and Scope of Work)  
 Property Rights Appraised:  Fee Simple  Leasehold  Leased Fee  Other (describe)  
 Intended Use: The intended use is to establish a list price.  
 Intended User(s) (by name or type): Harney Partners, Monument Sotheby's International Realty and/or Assigns  
 Client: Harney Partners Address: P.O. Box 90099, Austin, TX 78709-0099  
 Appraiser: Jordan May Address: 39 English Run Circle, Sparks, MD 21152

**MARKET AREA DESCRIPTION**  
 Location:  Urban  Suburban  Rural  
 Built up:  Over 75%  25-75%  Under 25%  
 Growth rate:  Rapid  Stable  Slow  
 Property values:  Increasing  Stable  Declining  
 Demand/supply:  Shortage  In Balance  Over Supply  
 Marketing time:  Under 3 Mos.  3-6 Mos.  Over 6 Mos.  
 Predominant Occupancy:  Owner 98  Tenant 2  Vacant (0-5%)  Vacant (>5%)  
 One-Unit Housing: PRICE (\$000) AGE (yrs)  
 115 Low 0  
 1,800 High 267  
 520 Pred 43  
 Present Land Use: One-Unit 85%  Not Likely  
 2-4 Unit 0%  Likely \*  In Process \*  
 Multi-Unit 1% \* To: Residential  
 Comm'l 4%  
 Other 10%  
 Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): The subject is the Worthington Woodsyde neighborhood of Owings Mills in Baltimore County. The neighborhood offers larger detached houses. The greater market area offers a mix of detached properties of various ages, sizes and designs, golf courses, schools, parks, cemetery, vacant land and light commercial use along the major roads. The subject is specifically bound by Walnut Ave to the north, Greenspring Ave to the east and Park Heights Ave to the south and west. The market are extends several miles further out in all directions. Market conditions are favorable due to low interest rates and the number of homes available. When appropriately priced, market time is typically under 100 days for typical housing. Based on a review of the market, there is a balance of supply and values have been fairly stable. Multiple financing options are available.

**SITE DESCRIPTION**  
 Dimensions: 55,757 sf Site Area: 1.28 ac  
 Zoning Classification: R Description: Residential  
 Zoning Compliance:  Legal  Legal nonconforming (grandfathered)  Illegal  No zoning  
 Are CC&Rs applicable?  Yes  No  Unknown Have the documents been reviewed?  Yes  No Ground Rent (if applicable) \$ /  
 Highest & Best Use as improved:  Present use, or  Other use (explain)  
 Actual Use as of Effective Date: Single Family Residential Dwelling Use as appraised in this report: Single Family Residential Dwelling  
 Summary of Highest & Best Use: The immediate market area offers a variety of land and residential uses. The subject's current use as a residential property appears to be the highest and best use.

Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private	Topography
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BGE	Street	Macadam	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Rolling
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	BGE	Curb/Gutter	None	<input type="checkbox"/>	<input type="checkbox"/>	Typical
Water	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private Well	Sidewalk	None	<input type="checkbox"/>	<input type="checkbox"/>	Irregular
Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Private Septic	Street Lights	Some	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Appears Good
Storm Sewer	<input type="checkbox"/>	<input type="checkbox"/>	None	Alley	None	<input type="checkbox"/>	<input type="checkbox"/>	Residential

Other site elements:  Inside Lot  Corner Lot  Cul de Sac  Underground Utilities  Other (describe)  
 FEMA Spec'l Flood Hazard Area  Yes  No FEMA Flood Zone X FEMA Map # 2400100210F FEMA Map Date 9/26/2008  
 Site Comments: At the time of this inspection, the appraiser noted no adverse site conditions, environmental conditions or adverse external factors within the subject's immediate vicinity.

**DESCRIPTION OF THE IMPROVEMENTS**

General Description	Exterior Description	Foundation	Basement	Heating
# of Units: 1 <input type="checkbox"/> Acc. Unit	Foundation: Concrete	Slab: 0%	Area Sq. Ft.: 2,803	Type: FHA
# of Stories: 2	Exterior Walls: Brick	Crawl Space: 0%	% Finished: 75	Fuel: Gas/Elec
Type: <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>	Roof Surface: Asphalt Shingle	Basement: 100%	Ceiling: Drywall	Cooling: CAC
Design (Style): Colonial	Gutters & Dwnspts.: Aluminum	Sump Pump: <input checked="" type="checkbox"/>	Walls: Drywall	Other: _____
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und. Cons.	Window Type: Double Hung	Dampness: <input type="checkbox"/>	Floor: W-W	
Actual Age (Yrs.): 23	Storm/Screens: Yes	Settlement: None Noted	Outside Entry: Walk out	
Effective Age (Yrs.): 18		Infestation: None Noted		

Interior Description	Appliances	Attic	Amenities	Car Storage
Floors: Tile/Hrdwd/W-W	Refrigerator: <input checked="" type="checkbox"/>	Attic: <input type="checkbox"/> None	Fireplace(s) #: 1	Garage: # of cars ( 7 Tot.)
Walls: Drywall	Range/Oven: <input checked="" type="checkbox"/>	Stairs: <input type="checkbox"/>	Woodstove(s) #: 0	Attach: 3
Trim/Finish: Wood	Disposal: <input type="checkbox"/>	Drop Stair: <input checked="" type="checkbox"/>	Patio: 1	Detach: _____
Bath Floor: Ceramic	Dishwasher: <input checked="" type="checkbox"/>	Scuttle: <input checked="" type="checkbox"/>	Deck: 2	Bit-In: _____
Bath Wainscot: Ceramic	Fan/Hood: <input checked="" type="checkbox"/>	Doorway: <input type="checkbox"/>	Porch: Cvd	Carport: _____
Doors: Hollow	Microwave: <input checked="" type="checkbox"/>	Floor: <input type="checkbox"/>	Fence: Metal	Driveway: 4
	Washer/Dryer: <input checked="" type="checkbox"/>	Heated: <input type="checkbox"/>	Pool: In Ground	Surface: Macadam
		Finished: <input type="checkbox"/>	Other: None	

Finished area above grade contains: 12 Rooms 4 Bedrooms 4.1 Bath(s) 5,137 Square Feet of Gross Living Area Above Grade  
 Additional features: Large all brick colonial with 3 car garage, some tile and hardwood flooring, 4 suites with baths on the upper level, 2 decks overlooking the patios and pool, fully finished basement with walk out.  
 Describe the condition of the property (including physical, functional and external obsolescence): The subject property is considered to be in average, but dated overall condition for the area. Other than typical wear and tear, some rotting exterior wood, and some dated interior aspects (flooring, walls, kitchen and baths), there were no significant physical inadequacies noted at the time of this inspection, but the appraisal is not a home inspection. The electric was on, but the water was turned off. The appraisal is using an extraordinary assumption that once the water is turned on, all related systems and fixtures will operate without need of repair. The quality of construction is typical for the area. Due to the maintenance the subject has received, the effective age is below the actual age.



# RESIDENTIAL APPRAISAL REPORT

File No. 2023 6 Susanna Ct  
 Filed 08/01/19 Page 6 of 27

COST APPROACH	COST APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Cost Approach was not developed for this appraisal.	
	Provide adequate information for replication of the following cost figures and calculations. Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value):	
	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE -----=\$
	Source of cost data:	DWELLING Sq.Ft. @ \$ -----=\$
	Quality rating from cost service: Effective date of cost data:	Sq.Ft. @ \$ -----=\$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.):	Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$ Sq.Ft. @ \$ -----=\$
		Garage/Carport Sq.Ft. @ \$ -----=\$
		Total Estimate of Cost-New -----=\$
		Less Physical Functional External -----=\$
		Depreciation -----=\$ Depreciated Cost of Improvements -----=\$ "As-is" Value of Site Improvements -----=\$ -----=\$ -----=\$
	Estimated Remaining Economic Life (if required): _____ Years <b>INDICATED VALUE BY COST APPROACH</b> -----=\$	
INCOME APPROACH	INCOME APPROACH TO VALUE (if developed) <input checked="" type="checkbox"/> The Income Approach was not developed for this appraisal.	
	Estimated Monthly Market Rent \$ _____ X Gross Rent Multiplier _____ = \$ _____ <b>Indicated Value by Income Approach</b>	
PUD	PROJECT INFORMATION FOR PUDs (if applicable) <input type="checkbox"/> The Subject is part of a Planned Unit Development.	
	Legal Name of Project: _____ Describe common elements and recreational facilities: _____	
RECONCILIATION	Indicated Value by: Sales Comparison Approach \$ <u>516,000</u> Cost Approach (if developed) \$ _____ Income Approach (if developed) \$ _____	
	Final Reconciliation <u>The Income and Cost Approaches were not developed because neither provides an accurate indication of market value. All consideration is given to the Sales Comparison Approach as it most accurately reflects buyers' and sellers' actions in the market.</u>	
	This appraisal is made <input checked="" type="checkbox"/> "as is", <input type="checkbox"/> subject to completion per plans and specifications on the basis of a Hypothetical Condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a Hypothetical Condition that the repairs or alterations have been completed, <input type="checkbox"/> subject to the following required inspection based on the Extraordinary Assumption that the condition or deficiency does not require alteration or repair: _____	
	<input checked="" type="checkbox"/> This report is also subject to other Hypothetical Conditions and/or Extraordinary Assumptions as specified in the attached addenda.	
ATTACHMENTS	Based on the degree of inspection of the subject property, as indicated below, defined Scope of Work, Statement of Assumptions and Limiting Conditions, and Appraiser's Certifications, my (our) Opinion of the Market Value (or other specified value type), as defined herein, of the real property that is the subject of this report is: \$ <u>516,000</u> , as of: <u>05/29/2019</u> , which is the effective date of this appraisal. If indicated above, this Opinion of Value is subject to Hypothetical Conditions and/or Extraordinary Assumptions included in this report. See attached addenda.	
	A true and complete copy of this report contains <u>26</u> pages, including exhibits which are considered an integral part of the report. This appraisal report may not be properly understood without reference to the information contained in the complete report. Attached Exhibits: <input type="checkbox"/> Scope of Work <input checked="" type="checkbox"/> Limiting Cond./Certifications <input checked="" type="checkbox"/> Narrative Addendum <input checked="" type="checkbox"/> Photograph Addenda <input checked="" type="checkbox"/> Sketch Addendum <input checked="" type="checkbox"/> Map Addenda <input checked="" type="checkbox"/> Additional Sales <input type="checkbox"/> Cost Addendum <input type="checkbox"/> Flood Addendum <input type="checkbox"/> Manuf. House Addendum <input type="checkbox"/> Hypothetical Conditions <input type="checkbox"/> Extraordinary Assumptions <input checked="" type="checkbox"/> Invoice <input checked="" type="checkbox"/> Appraiser License <input type="checkbox"/> E&O	
SIGNATURES	Client Contact: <u>Greg Milligan</u> Client Name: <u>Harney Partners</u>	
	E-Mail: <u>gmilligan@harneypartners.com</u> Address: <u>P.O. Box 90099, Austin, TX 78709-0099</u>	
	APPRAISER _____ SUPERVISORY APPRAISER (if required) _____ or CO-APPRAISER (if applicable) _____	
	Appraiser Name: <u>Jordan May</u> Supervisory or Co-Appraiser Name: _____ Company: <u>Classic Appraisal Services</u> Company: _____ Phone: <u>410-937-3902</u> Fax: <u>(410) 472-6935</u> Phone: _____ Fax: _____ E-Mail: <u>classicappraisals@comcast.net</u> E-Mail: _____ Date of Report (Signature): _____ Date of Report (Signature): _____ License or Certification #: <u>30011596</u> State: <u>MD</u> License or Certification #: _____ State: _____ Designation: <u>Certified Residential Appraiser</u> Designation: _____ Expiration Date of License or Certification: <u>12/27/2019</u> Expiration Date of License or Certification: _____ Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None Date of Inspection: <u>05/29/2019</u> Date of Inspection: _____	





Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						

**PURPOSE AND FUNCTION:**

The Intended Use is to evaluate the fair market value of the subject property as of the inspection date to assist in determining a fair market value for a list price, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional intended Users are identified by the appraiser.

This appraisal report has been prepared for the exclusive benefit of the clients mentioned. It may not be used or relied upon by any other party. Any party which uses or relies upon any information in this report, without the preparer's written consent, does so at their own risk.

**SCOPE OF THE APPRAISAL:**

The scope of an appraisal is the extend of the process collecting, confirming and reporting of data. This is woven throughout the appraisal report since the process follows FNMA's and other secondary market guidelines. Data was collected from a variety of sources. As explained on the URAR form and it's addendum, data was obtained from the applicable multiple listing service, Marshall Cost Service, our files, inspections, public records, agents, buyers, sellers and other sources believed reliable. FEMA maps, Census maps, tax maps, Street maps among other sources provided additional data.

The data was used to develop the appropriate and meaningful approaches to value. The form summarizes the process and conclusion of value for each of the approaches and a final estimate of market value. Other pertinent information about the extent of the process of collecting, confirming and reporting is located on the main form and it's addendum.

This is an Appraisal Report, which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniformed Standards of Professional Appraisal Practice. As such, it presents only summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation that is not provided with the appraisal report is retained in the appraiser's file.

To develop the opinion of value, the appraiser preformed a complete appraisal process, as defined by USPAP. Therefore, no departures from Standard I were invoked.

**APPRAISER LIABILITY:**

Utilizing his best efforts, the information presented in this appraisal report is believed to be reliable by the appraiser. The inspection process is subjective and verification of all available or known data has been done to the appraiser's best effort. In addition, the extend of information provided in this report is specific to the stated intended use and is solely for the intended user. No representations, guarantees, or warranties, expressed or implied are given by the appraiser(s), the appraisal firm, or their representatives. Unless agreed to otherwise in writing, the liability of the appraiser(s), the appraisal firm, or their representatives for any deficiencies in the appraisal report or resulting damages is limited to the fee charged to the lender/client by the appraiser(s), the appraisal firm, or their representatives or One Thousand Dollars (\$1,000.00), whichever is less. Further, the appraiser(s), the appraisal firm, or their representatives assumes no liability for any costs incurred to discover or correct any deficiencies present in the property, environmental, structural, mechanical, or otherwise, or reported in the appraisal report. Any claims for consequential, punitive, exemplary or extra-contractual damages are waived.

**DEFINITION OF MARKET VALUE:**

The definition of market value as defined in the FNMA forms, and that is determined in an appraisal assignment, states the following:

The most probable price which a property should bring in a competitive an open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what her or she considers his or her own best interest; (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.

**SALES COMPARISON COMMENTS:**

**A thorough search for active, pending and settled comparable sales was made in an attempt to find sales which "bracket" the subject in price, size, lot size, age, condition and amenities. After consideration of locations, dates of sale and physical differences, the comparable sales included are considered the best indicators of the subject's market value although they may not "bracket" in all categories.**

**Comparable sales one through five are settled and comparable sales six is an active listing.**

**Due to the lack of recent or proximate comparable sales, the appraiser also included comparable sales that are located over 1 mile from the subject, however, all are still within the same market area.**

**The typical sale in this market place is of a well maintained, updated or remodeled house. There aren't many larger properties that sell in dated condition like the subject. Therefore, the appraiser went back in time over size months and over 1 year in the case of comparable three. However, values of similar properties are stable, so time adjustments were not warranted.**

**Lot sizes were adjusted by \$10,000 per acre.**

**Supplemental Addendum**

File No. 3018 Susanne Ct

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						

The subject and comparable sales vary in chronologic age, but most are considered to have comparable effective ages to the subject due to the updating each has received over the years. Only comparable three was given a nominal downward age adjustment for the younger systems and general overall less wear and tear.

The subject and comparable sales vary in design, but they all offer similar functional utility and are considered comparable. Where the market recognizes a design difference, an adjustment was made.

The subject's measured size (5,137 sq ft) was larger than what the tax records show (4,485 sq ft). This is not uncommon for the area, therefore, the comparable sales may also be larger than what their tax records state. The subject's listed size in the tax record is similar to, and smaller than some, of the listed sizes of the comparable sales. Because of the above, the appraiser used a very low size adjustment to allow for any and all discrepancies. Gross living areas shown for the comparable sales are estimated based on the information from the multiple list service, Realtors, buyers, sellers, inner office data bank, appraiser, actual measurements or city/county tax records. Although the square footage noted on the public record reports is reviewed as a unit of comparison, little consideration is given to the figures as they are often found to be inaccurate, including areas not viewed as living area, ie., enclosed porches, basements, etc. Slight variations in size will not have any affect on the estimate of value. The size adjustment is based on \$20.00 per square foot. Any size differentials less than 100 square feet are not recognized in the market as added value, thus, no adjustments are given.

The size, age and price per sq ft of the comparable sales may vary from the subject by more than 25%, but they are some of the best available sales.

The subject and the first three comparable sales are considered to be in comparable overall condition although they may still vary slightly. Comparable sales four and five were more recently updated and they were given downward 10% condition adjustments. Comparable six is considered fairly similar to the subject.

The appraiser is aware that the labels of condition and quality for the subject and comparable sales in this report may differ from those labels stated in other appraisal reports. This is because they appear borderline between categories and could be labeled either way depending upon perspective and/or opinion. Whether they are different from other reports or not is less important than how the comparable sales relate to the subject in this report.

The subject and comparable sales are located in the same market area and each offers similar functional utility. Once adjusted to the subject, the settled comparable sales suggest values for the subject of \$467,500, \$515,700, \$516,800, \$525,300 and \$546,910 with most emphasis placed in the \$510,000-\$520,000 range. This range of value provided by the comparable sales reflects the various sizes, improvements offered and overall condition of each property. In the final value analysis, all of the sales were considered fairly equally since no single sale is most like the subject in every way.

The appraised value is above the predominant area sales price due to the subject's size, location and detached design. This does not have a negative effect on the marketability of the subject and the subject is not an over improvement.

The appraised value is not a fact or a limitation by any means. Rather, it is the appraiser's opinion of what the subject would most likely sell for which was based on a direct comparison to some of the most "similar" area sales activity. The market could react to the subject with a higher or lower sales price than estimated, which is best evidenced by the wider range provided by the comparable sales, but it is expected to be fairly close to the appraised value since that is how the market has reacted to other similar properties.

**EXTRAORDINARY ASSUMPTIONS AND CONDITIONS:**

The water was off. The appraisal is using an extraordinary assumption that once the water is turned on, all related systems and fixtures will operate without need of repair.

The subject has a well and septic system which are the only source of water and sewerage for the neighborhood due to a lack of public water and sewer. Neither has a negative effect on the marketability or value of the subject. At the time of the inspection, both appeared to be functioning properly. The appraiser is using an extraordinary assumption that they are functioning properly and meet all community standards. The appraiser is not qualified in either area, so well and septic inspections are suggested if any concerns exist.

This appraisal is utilizing an Extraordinary Assumption that all Zoning and Building Use regulations for the subject have been complied with. A comprehensive examination of laws and regulations affecting the subject property was not performed for this appraisal. Appropriate Zoning officials and or an Attorney should be consulted if any interested party has questions or concerns about the improvements on site.

The appraiser is not a structural engineer or home inspector. The opinion of value reported in this appraisal report is using an Extraordinary Assumption that there are no adverse conditions that would affect the livability, soundness, or structural integrity of the property unless otherwise noted in the appraisal report. The appraiser does not and is not required to have the expertise necessary to discover deficiencies that would impact the livability, soundness, or structural integrity of the property.

The appraiser is not a home or environmental inspector and is not qualified to determine the presence or cause of any hazardous materials, including mold, the type of mold or whether the mold might pose any risk to the property or its inhabitants. The appraiser provides an opinion of value. The appraisal does not guarantee that the property is free of defects or environmental problems. The appraiser has performed an inspection of the visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional home inspection or environmental inspection is recommended if any concerns exist. This appraisal is using an Extraordinary Assumption that there are no environmental problems with the subject property.

It should be noted that areas throughout Maryland have reported Radon Gas. This appraisal is using an Extraordinary Assumption that the subject is not affected.

**Supplemental Addendum**

File No. 3018 Susanne Ct

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						

No value for any personal property, fixtures and/or intangible items are included in the appraised value. Chattels are generally described as movable items of personal property and would include such items as personal furniture, refrigerators, washers, dryers, etc.

No warranty of the subject is given or implied. No liability is assumed for the structural or mechanical elements of the property.

Homes built prior to 1978 may have lead-base paint. The appraiser is not qualified to detect if the paint found in any given home is of the lead-based variety. It is, therefore, the lender's responsibility to retain an expert in this field if there are any concerns.

The appraiser has performed an inspection of the visible and accessible areas only. Mold may be present in areas the appraiser cannot see. A professional home inspection or environmental inspection is recommended if any concerns exist. The appraisal is using an extraordinary assumption that there is not any harmful mold in the subject property.

#### Exposure Time Reporting :

USPAP 2012-2013, STATEMENT 6 requires that an appraiser MUST report a reasonable exposure time in all assignments in which an opinion of reasonable exposure time must be developed.

All transaction types that require an appraisal (purchase or refinance) must develop and report the exposure time as a component of the opinion of market value. The definition of market value as defined in the FNMA forms, and that is determined in an appraisal assignment states the following:

The most probable price which a property should bring in a competitive open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, 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 each acting in what he or she considers his or her own best interest; (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.

USPAP defines exposure time as – The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. This means that in all assignments that use forms with the preprinted definition of market value as stated above, the appraiser must make a hypothetical condition that the property is being sold and report a reasonable exposure time, in the subject market, for the property to sell at the appraised value.

To clarify the differences between exposure and marketing times:

- Exposure time is deemed to expire as of the effective date the appraisal - it examines the time frame leading up to the date of valuation, linking the value estimate to how long the property would have required exposure in order to sell at the estimated market value.

- Marketing time is deemed to start at the effective date of the appraisal, looking forward in time. It is a prediction of how long a property would require exposure to a competitive and open market in order to find a buyer, under either typical or prescribed circumstances.

Based on the subject's estimated appraised value, the subject's estimated expose time is 30 -90 days.

#### PRIOR APPRAISAL OR SERVICES FOR THE SUBJECT PROPERTY:

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment

#### FINANCIAL INSTITUTIONS REFORM, RECOVERY & ENFORCEMENT ACT SUPPLEMENT:

I certify that:

this appraisal report may be used in a federally related financial transaction that is subject to the requirements of Title IX of the Financial Institutions Reform, Recovery and Enforcement Act of 1989;

the appraisal report was completed in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP)

Finally, I certify that, to the best of my knowledge and belief:

the statements of fact contained in this report are true and correct;

and that I am fully qualified and competent by training, knowledge and experience to perform this appraisal.

As of the date of this report, the appraiser has completed the requirements of the continuing education program of the State of Maryland.

#### DIGITAL SIGNATURE:

This report may have been signed by digital scanned signature. The report cannot be changed without permission the appraiser.

Borrower	No Borrower					
Property Address	3018 Susanne Ct					
City	Owings Mills	County	Baltimore	State	MD	Zip Code 21117
Lender/Client	Harney Partners					

PHOTOGRAPHIC CERTIFICATION:

Since this is a retrospective appraisal report, the comparable photos in this case were selected from MRIS to best represent the comparable sales at the time of their sale or listing.

The photographs used in this appraisal report are digital photos utilizing imaging technology. The appraiser personally inspected and photographed the subject. Comparable photos may be a combination of either personally photographed photos, photos from the appraiser's data base, collected previously, and/or photographs provided by MRIS and directly downloaded into the report. The photographs utilized in the appraisal are a true and correct representation of the subject property and comparables. Although the photographs may have been enhanced during the finishing process, no alterations were made to the images which would misrepresent the appearance of the subject or comparables. The appraiser has personally inspected the subject.



# Assumptions, Limiting Conditions & Scope of Work

Property Address: 3018 Susanne Ct Document ID: 3018 Susanne Ct File No: 3018 Susanne Ct  
 City: Owings Mills State: MD Zip Code: 21117

Client: Harney Partners Address: P.O. Box 90099, Austin, TX 78709-0099

Appraiser: Jordan May Address: 39 English Run Circle, Sparks, MD 21152

## STATEMENT OF ASSUMPTIONS & LIMITING CONDITIONS

- The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
- The appraiser may have provided a sketch in the appraisal report to show approximate dimensions of the improvements, and any such sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size. Unless otherwise indicated, a Land Survey was not performed.
- If so indicated, the appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
- The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
- If the cost approach is included in this appraisal, the appraiser has estimated the value of the land in the cost approach at its highest and best use, and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used. Unless otherwise specifically indicated, the cost approach value is not an insurance value, and should not be used as such.
- The appraiser has noted in the appraisal report any adverse conditions (including, but not limited to, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property, or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property, or adverse environmental conditions (including, but not limited to, the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
- The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
- The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and any applicable federal, state or local laws.
- If this appraisal is indicated as subject to satisfactory completion, repairs, or alterations, the appraiser has based his or her appraisal report and valuation conclusion on the assumption that completion of the improvements will be performed in a workmanlike manner.
- An appraiser's client is the party (or parties) who engage an appraiser in a specific assignment. Any other party acquiring this report from the client does not become a party to the appraiser-client relationship. Any persons receiving this appraisal report because of disclosure requirements applicable to the appraiser's client do not become intended users of this report unless specifically identified by the client at the time of the assignment.
- The appraiser's written consent and approval must be obtained before this appraisal report can be conveyed by anyone to the public, through advertising, public relations, news, sales, or by means of any other media, or by its inclusion in a private or public database.
- An appraisal of real property is not a 'home inspection' and should not be construed as such. As part of the valuation process, the appraiser performs a non-invasive visual inventory that is not intended to reveal defects or detrimental conditions that are not readily apparent. The presence of such conditions or defects could adversely affect the appraiser's opinion of value. Clients with concerns about such potential negative factors are encouraged to engage the appropriate type of expert to investigate.

The Scope of Work is the type and extent of research and analyses performed in an appraisal assignment that is required to produce credible assignment results, given the nature of the appraisal problem, the specific requirements of the intended user(s) and the intended use of the appraisal report. Reliance upon this report, regardless of how acquired, by any party or for any use, other than those specified in this report by the Appraiser, is prohibited. The Opinion of Value that is the conclusion of this report is credible only within the context of the Scope of Work, Effective Date, the Date of Report, the Intended User(s), the Intended Use, the stated Assumptions and Limiting Conditions, any Hypothetical Conditions and/or Extraordinary Assumptions, and the Type of Value, as defined herein. The appraiser, appraisal firm, and related parties assume no obligation, liability, or accountability, and will not be responsible for any unauthorized use of this report or its conclusions.

Additional Comments (Scope of Work, Extraordinary Assumptions, Hypothetical Conditions, etc.):

# Certifications

Property Address: 3018 Susanne Ct	City: Owings Mills	File No. 2018-02844-RDB	Page 13 of 27
Client: Harney Partners	Address: P.O. Box 90099, Austin, TX 78709-0099	State: MD	Zip Code: 21117
Appraiser: Jordan May	Address: 39 English Run Circle, Sparks, MD 21152		

**APPRAISER'S CERTIFICATION**

I certify that, to the best of my knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The credibility of this report, for the stated use by the stated user(s), of the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- Unless otherwise indicated, I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice that were in effect at the time this report was prepared.
- I did not base, either partially or completely, my analysis and/or the opinion of value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property, or of the present owners or occupants of the properties in the vicinity of the subject property.
- Unless otherwise indicated, I have made a personal inspection of the property that is the subject of this report.
- Unless otherwise indicated, no one provided significant real property appraisal assistance to the person(s) signing this certification.


**Additional Certifications:**

**DEFINITION OF MARKET VALUE \*:**

Market value means 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.

\* This definition is from regulations published by federal regulatory agencies pursuant to Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA) of 1989 between July 5, 1990, and August 24, 1990, by the Federal Reserve System (FRS), National Credit Union Administration (NCUA), Federal Deposit Insurance Corporation (FDIC), the Office of Thrift Supervision (OTS), and the Office of Comptroller of the Currency (OCC). This definition is also referenced in regulations jointly published by the OCC, OTS, FRS, and FDIC on June 7, 1994, and in the Interagency Appraisal and Evaluation Guidelines, dated October 27, 1994.

Client Contact: Greg Milligan	Client Name: Harney Partners
E-Mail: gmilligan@harneypartners.com	Address: P.O. Box 90099, Austin, TX 78709-0099
<b>APPRAISER</b>	SUPERVISORY APPRAISER (if required) or CO-APPRAISER (if applicable)
Appraiser Name:  Jordan May	Supervisory or Co-Appraiser Name: _____
Company: Classic Appraisal Services	Company: _____
Phone: 410-937-3902 Fax: (410) 472-6935	Phone: _____ Fax: _____
E-Mail: classicappraisals@comcast.net	E-Mail: _____
Date Report Signed: 05/30/2019	Date Report Signed: _____
License or Certification #: 30011596 State: MD	License or Certification #: _____ State: _____
Designation: Certified Residential Appraiser	Designation: _____
Expiration Date of License or Certification: 12/27/2019	Expiration Date of License or Certification: _____
Inspection of Subject: <input checked="" type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None	Inspection of Subject: <input type="checkbox"/> Interior & Exterior <input type="checkbox"/> Exterior Only <input type="checkbox"/> None
Date of Inspection: 05/29/2019	Date of Inspection: _____

**Subject Photo Page**

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 14 of 27	
Borrower	No Borrower
Property Address	3018 Susanne Ct
City	Owings Mills
County	Baltimore
State	MD
Zip Code	21117
Lender/Client	Harney Partners



**Subject Front**

3018 Susanne Ct  
 Sales Price 0  
 Gross Living Area 5,137  
 Total Rooms 12  
 Total Bedrooms 4  
 Total Bathrooms 4.1  
 Location Worthngtn Wdsyde  
 View Res., Woods  
 Site 1.28 ac  
 Quality Average  
 Age 23



**Subject Rear**



**Subject Street**

**Photograph Addendum**

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 15 of 27

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



**Foyer**



**LR**



**DR**



**Den**



**Sitting Room**



**Half Bath**

Photograph Addendum

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 16 of 27

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



FR



Kitchen



Breakfast Room



Other Side of Kitchen



Laundry



BR

Photograph Addendum

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 17 of 27

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



**Full bath**



**Lower Exercise Rm**



**Lower FR**



**Lower Clubroom**



**Lower**



**Lower**

**Photograph Addendum**

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Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



**Full Bath**



**BR**



**Full bath**



**BR**



**Full Bath**



**BR**

Photograph Addendum

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 19 of 27

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
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Lender/Client	Harney Partners						



Lower BR



Lower Full bath



Utility



Garage



Utility



Deck



**Photograph Addendum**

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 20 of 27

Borrower	No Borrower				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD Zip Code 21117
Lender/Client	Harney Partners				



**Patios**



**Landscape**



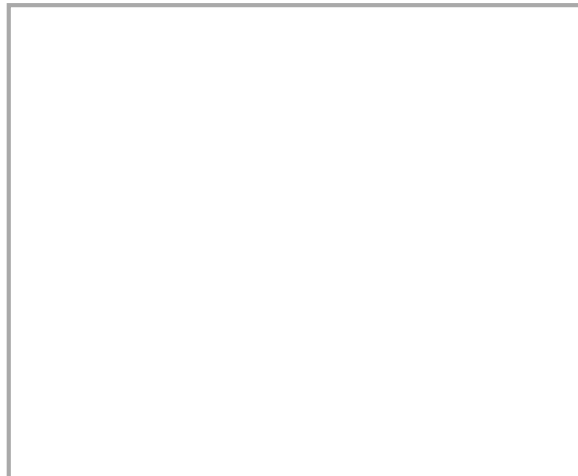
**Pool**



**Side**



**Side**



**Blank**

**Comparable Photo Page**

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Borrower	No Borrower				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD
Lender/Client	Harney Partners				
				Zip Code	21117



**Comparable 1**

2 Hawick Ct  
 Prox. to Subject 0.91 miles NW  
 Sale Price 433,500  
 Gross Living Area 4,279  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location Dorset Hills  
 View Res., Woods  
 Site 1.00 ac  
 Quality Average  
 Age 31



**Comparable 2**

8 Running Brook Ct  
 Prox. to Subject 1.94 miles E  
 Sale Price 525,000  
 Gross Living Area 4,596  
 Total Rooms 9  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location The Woods  
 View Res., Woods  
 Site 3.38 ac  
 Quality Average  
 Age 31



**Comparable 3**

101 Saint Thomas Ln  
 Prox. to Subject 2.97 miles SW  
 Sale Price 560,000  
 Gross Living Area 5,824  
 Total Rooms 11  
 Total Bedrooms 5  
 Total Bathrooms 5.1  
 Location Owings Mills  
 View Res., Woods  
 Site 1.37 ac  
 Quality Average  
 Age 13

**Comparable Photo Page**

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Borrower	No Borrower				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD
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				Zip Code	21117



**Comparable 4**

2215 Millridge Rd  
 Prox. to Subject 1.86 miles SE  
 Sale Price 540,000  
 Gross Living Area 4,962  
 Total Rooms 9  
 Total Bedrooms 2  
 Total Bathrooms 2.1  
 Location Caves Park  
 View Res., Woods  
 Site 0.96 ac  
 Quality Average  
 Age 39



**Comparable 5**

12019 Ridge Valley Dr  
 Prox. to Subject 1.56 miles E  
 Sale Price 549,900  
 Gross Living Area 4,175  
 Total Rooms 11  
 Total Bedrooms 5  
 Total Bathrooms 3.0  
 Location Green Valley North  
 View Residential  
 Site 2.06 ac  
 Quality Average  
 Age 44



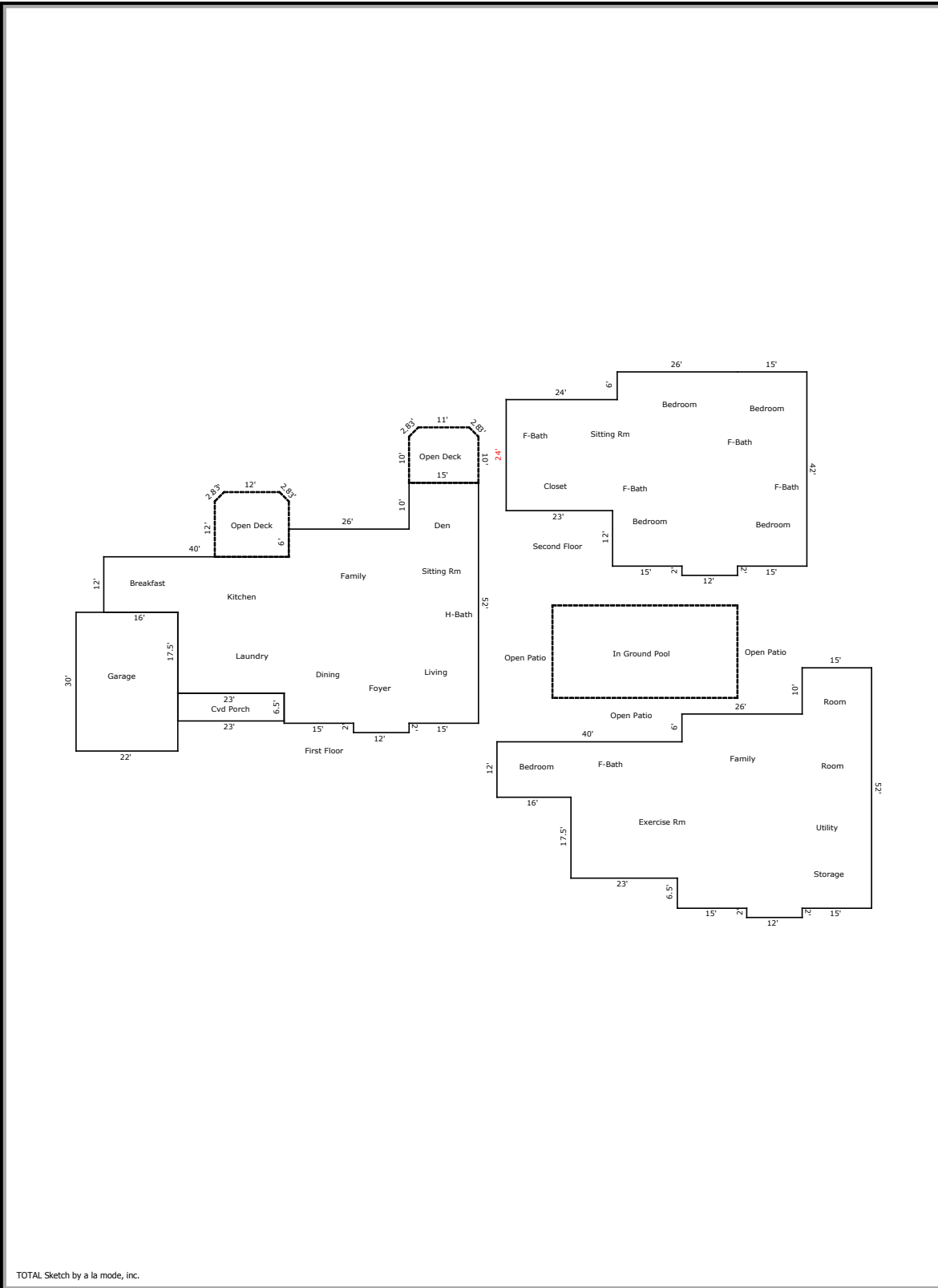
**Comparable 6**

1202 Berans Rd  
 Prox. to Subject 2.47 miles E  
 Sale Price 550,000  
 Gross Living Area 3,747  
 Total Rooms 10  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location Morrisville  
 View Res., Woods  
 Site 1.33 ac  
 Quality Average  
 Age 26

**Building Sketch (Page - 1)**

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Borrower	No Borrower				
Property Address	3018 Susanne Ct				
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Lender/Client	Harney Partners				



TOTAL Sketch by a la mode, inc.

**Building Sketch (Page - 2)**

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Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						

TOTAL Sketch by a la mode, inc.

**Area Calculations Summary**

Living Area		Calculation Details	
First Floor	2802.5 Sq ft	52 × 15 = 780	
		12 × 16 = 192	
		29.5 × 23 = 678.5	
		44 × 12 = 528	
		14 × 6 = 84	
		15 × 36 = 540	
Second Floor	2334 Sq ft	12 × 2 = 24	
		42 × 41 = 1722	
		24 × 24 = 576	
		12 × 1 = 12	
<b>Total Living Area (Rounded):</b>	<b>5137 Sq ft</b>		
<b>Non-living Area</b>			
Wood Deck	220 Sq ft	16 × 12 = 192	
		12 × 2 = 24	
		0.5 × 2 × 2 = 2	
		0.5 × 2 × 2 = 2	
Wood Deck	176 Sq ft	15 × 10 = 150	
		11 × 2 = 22	
		0.5 × 2 × 2 = 2	
		0.5 × 2 × 2 = 2	
3 Car Attached	660 Sq ft	30 × 22 = 660	
Closed Porch	138 Sq ft	6 × 23 = 138	
Basement	2802.5 Sq ft	52 × 15 = 780	
		12 × 16 = 192	
		29.5 × 23 = 678.5	
		44 × 12 = 528	
		14 × 6 = 84	
		15 × 36 = 540	
Non-Calculated	800 Sq ft	40 × 20 = 800	

### Location Map

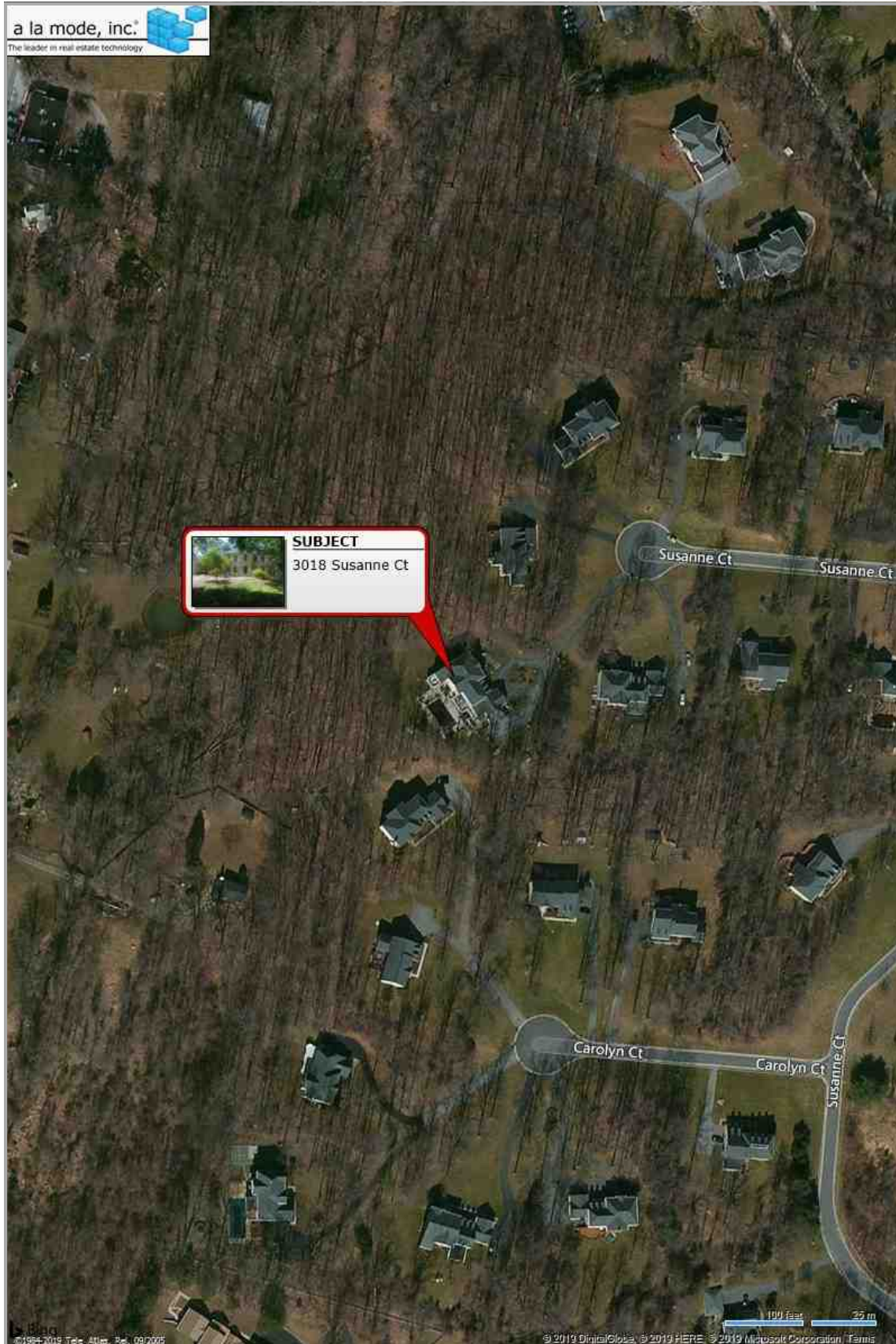
Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 25 of 27

Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



### Aerial Map

Case 1:18-cv-02844-RDB Document 182-3 Filed 08/01/19 Page 26 of 27							
Borrower	No Borrower						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client	Harney Partners						



License

12/12/2016

4,944,047

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

10 03 11596  
MESSAGE(S):

JORDAN MAY

6164 12-11-2016

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

Lawrence J. Hogan, Jr  
Governor  
Boyd K. Rutherford  
Lt. Governor  
Kelly M. Schulz  
Secretary

STATE OF MARYLAND

DEPARTMENT OF LABOR, LICENSING AND REGULATION

COMMISSION OF RE APPRAISERS & HOME INSPECTORS

CERTIFIES THAT:

JORDAN MAY



IS AN AUTHORIZED: 03 - CERTIFIED RESIDENTIAL

LIC/REG/CERT  
11596

EXPIRATION  
12-27-2019

EFFECTIVE  
12-11-2016

CONTROL NO  
4944047

*Jordan E May*  
Signature of Bearer

*Kelly M. Schulz*  
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

10 03 11596

4,944,047

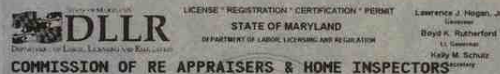
10 03 11596

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
500 N. CALVERT STREET  
BALTIMORE, MD 21202-3651

JORDAN MAY  
39 ENGLISH RUN CIRCLE

SPARKS

MD 21152



COMMISSION OF RE APPRAISERS & HOME INSPECTORS

CERTIFIES THAT:  
JORDAN MAY

IS AN AUTHORIZED: 03 - CERTIFIED RESIDENTIAL

LIC/REG/CERT EXPIRATION EFFECTIVE CONTROL NO  
11596 12-27-2019 12-11-2016 4944047

*Jordan E May*  
Signature of Bearer

*Kelly M. Schulz*  
Secretary DLLR



# **EXHIBIT 3**

Borrower	N/A	File No.	1905274A
Property Address	3018 Susanne Ct		
City	Owings Mills	County	Baltimore
		State	MD
		Zip Code	21117
Lender/Client			

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**SUMMARY OF SALIENT FEATURES**

<b>SUBJECT INFORMATION</b>	Subject Address	3018 Susanne Ct
	Legal Description	1.2833 AC 3018 SUSANNE CT SWR WORTHINGTON WOODSYDE
	City	Owings Mills
	County	Baltimore
	State	MD
	Zip Code	21117
	Census Tract	4049.00
	Map Reference	BA17B9
<b>SALES PRICE</b>	Sale Price	\$
	Date of Sale	
<b>CLIENT</b>	Borrower	N/A
	Lender/Client	
<b>DESCRIPTION OF IMPROVEMENTS</b>	Size (Square Feet)	4,917
	Price per Square Foot	\$
	Location	WorthingtonWdsyd
	Age	23
	Condition	C4
	Total Rooms	10
	Bedrooms	4
	Baths	4.1
<b>APPRAISER</b>	Appraiser	Adam J. Bolling
	Date of Appraised Value	05/28/2019
<b>VALUE</b>	Opinion of Value	\$ 684,000

Gregory Milligan, Receiver

Re: Property: 3018 Susanne Ct  
Owings Mills, MD 21117  
Owner: Kevin Merrill  
File No.:

In accordance with your request, we have appraised the above referenced property. The report of that appraisal is attached.


The purpose of this appraisal is to estimate the market value of the property described in this appraisal report, as improved, in unencumbered fee simple title of ownership.

This report is based on a physical analysis of the site and improvements, a locational analysis of the neighborhood and city, and an economic analysis of the market for properties such as the subject. The appraisal was developed and the report was prepared in accordance with the Uniform Standards of Professional Appraisal Practice.

The value conclusions reported are as of the effective date stated in the body of the report and contingent upon the certification and limiting conditions attached.

It has been a pleasure to assist you. Please do not hesitate to contact me or any of my staff if we can be of additional service to you.

Sincerely,



Adam J. Bolling  
Certified Residential Appraiser  
ajb

# RESIDENTIAL APPRAISAL REPORT

File No.: 1905274A

<b>SUBJECT</b>	Property Address: 3018 Susanne Ct	City: Owings Mills	State: MD	Zip Code: 21117
	County: Baltimore	Legal Description: 1.2833 AC 3018 SUSANNE CT SWR WORTHINGTON WOODSYDE		
	Assessor's Parcel #: 042200023340			
	Tax Year: 2019	R.E. Taxes: \$ 8,128	Special Assessments: \$ 60	Borrower (if applicable): N/A

<b>ASSIGNMENT</b>	Current Owner of Record: Kevin Merrill	Occupant: <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant <input type="checkbox"/> Manufactured Housing
	Project Type: <input type="checkbox"/> PUD <input type="checkbox"/> Condominium <input type="checkbox"/> Cooperative <input type="checkbox"/> Other (describe)	HOA: \$ 0 <input type="checkbox"/> per year <input type="checkbox"/> per month
	Market Area Name: Worthington Woodsyde	Map Reference: BA17B9
	Census Tract: 4049.00	

<b>MARKET AREA DESCRIPTION</b>	The purpose of this appraisal is to develop an opinion of: <input checked="" type="checkbox"/> Market Value (as defined), or <input type="checkbox"/> other type of value (describe)
	This report reflects the following value (if not Current, see comments): <input checked="" type="checkbox"/> Current (the Inspection Date is the Effective Date) <input type="checkbox"/> Retrospective <input type="checkbox"/> Prospective
	Approaches developed for this appraisal: <input checked="" type="checkbox"/> Sales Comparison Approach <input type="checkbox"/> Cost Approach <input type="checkbox"/> Income Approach (See Reconciliation Comments and Scope of Work)
	Property Rights Appraised: <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Leased Fee <input type="checkbox"/> Other (describe)

<b>MARKET AREA DESCRIPTION</b>	Intended Use: This intended use of this appraisal to ascertain market value as of the effective date of this appraisal.
	Intended User(s) (by name or type): Gregory Milligan, Receiver
	Client: Gregory Milligan, Receiver
	Appraiser: Adam J. Bolling

<b>MARKET AREA DESCRIPTION</b>	Location: <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	<table border="1"> <tr> <th>Predominant Occupancy</th> <th>One-Unit Housing</th> <th>Present Land Use</th> <th>Change in Land Use</th> </tr> <tr> <td><input checked="" type="checkbox"/> Owner 95</td> <td>PRICE AGE \$(000) (yrs)</td> <td>One-Unit 70 %</td> <td><input checked="" type="checkbox"/> Not Likely</td> </tr> <tr> <td><input checked="" type="checkbox"/> Tenant 5</td> <td>600 Low 0</td> <td>2-4 Unit 2 %</td> <td><input type="checkbox"/> Likely * <input type="checkbox"/> In Process *</td> </tr> <tr> <td><input checked="" type="checkbox"/> Vacant (0-5%)</td> <td>700 High 100</td> <td>Multi-Unit 2 %</td> <td>* To: _____</td> </tr> <tr> <td><input type="checkbox"/> Vacant (&gt;5%)</td> <td>684 Pred 25</td> <td>Comm'l 1 %</td> <td></td> </tr> <tr> <td></td> <td></td> <td>Vacant 25 %</td> <td></td> </tr> </table>	Predominant Occupancy	One-Unit Housing	Present Land Use	Change in Land Use	<input checked="" type="checkbox"/> Owner 95	PRICE AGE \$(000) (yrs)	One-Unit 70 %	<input checked="" type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Tenant 5	600 Low 0	2-4 Unit 2 %	<input type="checkbox"/> Likely * <input type="checkbox"/> In Process *	<input checked="" type="checkbox"/> Vacant (0-5%)	700 High 100	Multi-Unit 2 %	* To: _____	<input type="checkbox"/> Vacant (>5%)	684 Pred 25	Comm'l 1 %				Vacant 25 %	
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<input type="checkbox"/> Vacant (>5%)	684 Pred 25	Comm'l 1 %																								
		Vacant 25 %																								
Built up: <input type="checkbox"/> Over 75% <input checked="" type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%																										
Growth rate: <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow																										
Property values: <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining																										

<b>MARKET AREA DESCRIPTION</b>	Market Area Boundaries, Description, and Market Conditions (including support for the above characteristics and trends): See Attached Addendum:
	Neighborhood Market Conditions
	North: Greenspring Ave.; South: I - 795; East: MD Rt. 25; West: I - 795

<b>MARKET AREA DESCRIPTION</b>	Dimensions: Plat not provided to the appraiser.	Site Area: 55,757
	Zoning Classification: Residential - RC5	Description: Residential - 5 Units Per Acre
	Zoning Compliance: <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal nonconforming (grandfathered) <input type="checkbox"/> Illegal <input type="checkbox"/> No zoning	
	Are CC&Rs applicable? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> Unknown	Have the documents been reviewed? <input type="checkbox"/> Yes <input type="checkbox"/> No

<b>MARKET AREA DESCRIPTION</b>	Highest & Best Use as improved: <input checked="" type="checkbox"/> Present use, or <input type="checkbox"/> Other use (explain) The highest and best use of the subject is the present usage.
	Actual Use as of Effective Date: Residential - Single Family
	Use as appraised in this report: Residential - Single Family
	Summary of Highest & Best Use: The highest and best use of the subject property is the current usage which meets all four Highest and Best Use factors.

<b>MARKET AREA DESCRIPTION</b>	<table border="1"> <tr> <th>Utilities</th> <th>Public</th> <th>Other</th> <th>Provider/Description</th> <th>Off-site Improvements</th> <th>Type</th> <th>Public</th> <th>Private</th> <th>Topography</th> <th>Level</th> </tr> <tr> <td>Electricity</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td>Street</td> <td>Macadam</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Size</td> <td>Typical</td> </tr> <tr> <td>Gas</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td>Curb/Gutter</td> <td>None</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Shape</td> <td>Rectangular</td> </tr> <tr> <td>Water</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td>Sidewalk</td> <td>None</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td>Drainage</td> <td>Appears Adequate</td> </tr> <tr> <td>Sanitary Sewer</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td>Street Lights</td> <td>Electric</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td>View</td> <td>Residential</td> </tr> <tr> <td>Storm Sewer</td> <td><input checked="" type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td>Alley</td> <td>None</td> <td><input type="checkbox"/></td> <td><input type="checkbox"/></td> <td></td> <td></td> </tr> </table>	Utilities	Public	Other	Provider/Description	Off-site Improvements	Type	Public	Private	Topography	Level	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street	Macadam	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Size	Typical	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Curb/Gutter	None	<input type="checkbox"/>	<input type="checkbox"/>	Shape	Rectangular	Water	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Sidewalk	None	<input type="checkbox"/>	<input type="checkbox"/>	Drainage	Appears Adequate	Sanitary Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Street Lights	Electric	<input checked="" type="checkbox"/>	<input type="checkbox"/>	View	Residential	Storm Sewer	<input checked="" type="checkbox"/>	<input type="checkbox"/>		Alley	None	<input type="checkbox"/>	<input type="checkbox"/>		
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Other site elements: <input checked="" type="checkbox"/> Inside Lot <input type="checkbox"/> Corner Lot <input type="checkbox"/> Cul de Sac <input type="checkbox"/> Underground Utilities <input type="checkbox"/> Other (describe)																																																													
FEMA Spec'l Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No FEMA Flood Zone X FEMA Map # 2400100210F FEMA Map Date 9/26/2008																																																													
Site Comments: See Attached Addendum: Adverse Site Conditions																																																													

<b>DESCRIPTION OF THE IMPROVEMENTS</b>	<table border="1"> <tr> <th>General Description</th> <th>Exterior Description</th> <th>Foundation</th> <th>Basement</th> <th>Heating</th> </tr> <tr> <td># of Units 1 <input type="checkbox"/> Acc. Unit</td> <td>Foundation PouredCon/Av</td> <td>Slab None</td> <td>Area Sq. Ft. 2,755</td> <td>Type FWA</td> </tr> <tr> <td># of Stories 2</td> <td>Exterior Walls Brick/Vnyl/Avg</td> <td>Crawl Space None</td> <td>% Finished 70</td> <td>Fuel Gas</td> </tr> <tr> <td>Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/></td> <td>Roof Surface CompSh/Avg</td> <td>Basement Full</td> <td>Ceiling Drywall</td> <td>Cooling CAC</td> </tr> <tr> <td>Design (Style) Colonial</td> <td>Gutters &amp; Dwnspts. Aluminum/Avg</td> <td>Sump Pump <input checked="" type="checkbox"/></td> <td>Walls Drywall</td> <td>Central</td> </tr> <tr> <td><input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.</td> <td>Window Type DblHg/Csmt/Av</td> <td>Dampness <input type="checkbox"/> NoneNoted</td> <td>Floor Carpet</td> <td>Other</td> </tr> <tr> <td>Actual Age (Yrs.) 23</td> <td>Storm/Screens Yes/Yes/Avg</td> <td>Settlement None Noted</td> <td>Outside Entry Walk Out</td> <td></td> </tr> <tr> <td>Effective Age (Yrs.) 12</td> <td></td> <td>Infestation None Noted</td> <td></td> <td></td> </tr> </table>	General Description	Exterior Description	Foundation	Basement	Heating	# of Units 1 <input type="checkbox"/> Acc. Unit	Foundation PouredCon/Av	Slab None	Area Sq. Ft. 2,755	Type FWA	# of Stories 2	Exterior Walls Brick/Vnyl/Avg	Crawl Space None	% Finished 70	Fuel Gas	Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/>	Roof Surface CompSh/Avg	Basement Full	Ceiling Drywall	Cooling CAC	Design (Style) Colonial	Gutters & Dwnspts. Aluminum/Avg	Sump Pump <input checked="" type="checkbox"/>	Walls Drywall	Central	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Und.Cons.	Window Type DblHg/Csmt/Av	Dampness <input type="checkbox"/> NoneNoted	Floor Carpet	Other	Actual Age (Yrs.) 23	Storm/Screens Yes/Yes/Avg	Settlement None Noted	Outside Entry Walk Out		Effective Age (Yrs.) 12		Infestation None Noted						
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Finished area above grade contains: 10 Rooms 4 Bedrooms 4.1 Bath(s) 4,917 Square Feet of Gross Living Area Above Grade																																													
Additional features: The subject's additional features include: double pane windows, casement windows, a remodeled kitchen, central vacuum, finished basement, fireplace, covered patio, patio, covered porch, 2 decks, fence, inground pool, and a hot tub.																																													

<b>DESCRIPTION OF THE IMPROVEMENTS</b>	Describe the condition of the property (including physical, functional and external obsolescence): C4;The subject appears to be well maintained and in Average condition. No functional or external obsolescence was noted upon the inspection. The actual age and the effective age of the subject vary more than ten years due to periodic maintenance and updating.







**Supplemental Addendum**

File No. 1905274A

Borrower	N/A				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD Zip Code 21117
Lender/Client					

APPRAISAL ADDENDA:

These addenda are designed to simplify the reporting of comments most typically required by lenders to clarify aspects of the appraisal process. The following comments are applicable to the subject property:

TYPE OF APPRAISAL REPORT:

My analyses, opinions, and conclusions were developed and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice. In accordance with the Definitions Section, Standard 1 and Standard 2 of the Uniform Standards of Professional Appraisal Practice issued by the Appraisal Standards Board of the Appraisal Foundation, this appraisal report is considered to be an "Appraisal Report". See Addendum #4.

PURPOSE OF THE APPRAISAL:

**The Purpose of the Appraisal is to estimate the market value of the subject property for market valuation purposes. This appraisal assignment was not based on a requested minimum valuation, a specific valuation, or approval of a loan.**

SCOPE OF THE APPRAISAL:

The scope of the appraisal consisted of an analysis of the relevant market data in the market area of the subject property, an exterior and interior inspection of the subject property or an examination of the plans and specifications for a proposed property, an exterior inspection of the comparable sales utilized in the sales comparison analysis, and the application of the relevant approaches to value in order to reach a value conclusion. Cost estimates were developed from the Marshall and Swift Residential Cost Handbook and verified by local sources and appraiser's files. Depreciation is based on the Age/Life Method.

The appraisal is based on information gathered by the appraiser from public records, other identified sources, inspection of the subject property and neighborhood, and selection of comparable sales within the subject's market area. The original source of the comparables is shown first in the Data Source section of the market grid along with the source of confirmation, if available. The sources and data are considered reliable. When conflicting information was provided, the source deemed most reliable has been used. Data believed to be unreliable was not included in the report nor used as a basis for the value conclusion.

EXCLUSIVE/ INTENDED USE

This appraisal report has been prepared for the exclusive benefit of **Gregory Milligan, Receiver**. This appraisal report is intended for the use of the lender/client (HUD/) and/or their assigns for a mortgage finance transaction only. This report is not intended for any other use. No other party may use or rely on any information in this report, without the preparer's written consent. Neither all nor any part of the contents of this report shall be conveyed to any person or entity, other than the appraiser's or firm's client, through advertising, solicitation materials, public relations, news, sales or other media, without the written consent and approval of the authors, particularly as to valuation conclusion, the identity of the appraiser or firm with which the appraiser is connected, or any reference to affiliation with any professional appraisal organization or designation. Further, the appraiser or firm assumes no obligation, liability, or accountability to any third party. If this report is placed in the hands of anyone but the client, client shall make such party aware of all the assumptions and limiting conditions of the assignment.

DIGITAL SIGNATURE CERTIFICATION:

The electronic signatures that appear on this report are a true and accurate replica of the appraiser's actual signatures. Security measures, ( in the form of passwords ), are in place to preserve the integrity of the report, and to ensure that each appraiser can apply his or her own signature to an appraisal.

DIGITAL PHOTOGRAPH CERTIFICATION:

The photographs used in this appraisal report were produced with digital imaging technology. The digital photographs of the subject property in this report are original photographs that were taken at the time of the inspection and have not been altered or enhanced in any way. The appraiser personally inspected and photographed the comparable sales used in the appraisal report; however, some of the photographs of the comparable sales may have been downloaded from an on-line provider since these images better depict the comparable at the time of sale. The photographs used in this appraisal report are a true and correct representation of the subject property and the comparable sales.

FLOOD MAP DATA / MAP REFERENCE DATA

The flood map and flood panel information in this appraisal report are provided by a third party and cannot be altered in anyway. The lender should have a flood certification performed. The data provided in the flood section of this report is provided for information purposes only and is beyond the scope of an appraisal report. **All map references were obtained using ADC maps.**

APPRAISER INDEPENDENCE STATEMENT

No employee, director, officer, or agent of the lender, or any other third party acting as a joint venture partner, independent contractor, appraisal management company, or partner on behalf of the lender has influenced or attempted to influence the development, reporting, instruction, inducement, intimidation, bribery or in any other manner.

I have not been contacted by anyone other than the intended user (lender/client as identified on the first page of the report), borrower, or designated contact to make an appointment to enter the property. I agree to immediately report any unauthorized contacts either personally by phone or electronically to **the proper authorities**.

USPAP DISCLOSURE

I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three year period immediately preceding acceptance of this assignment.

APPRAISER COMPETENCY

The subject property is located **20 + / -** miles from my office. This assignment requires geographic competency as part of the scope of work. I have spent sufficient time in the subjects market and understand the nuances of the local market and the supply and demand factors relating to the specific property type and the location involved. Such understanding will not be imparted solely from a consideration of specific data such as demographics, costs, sales and rentals. The necessary understanding of local market conditions provides the bridge between a sale and a comparable sale or a rental and a comparable rental.



**Supplemental Addendum**

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**Neighborhood Market Conditions**

Sales in the last year have been steady. Interest rates and terms remain attractive. In reviewing the market data, the appraiser finds supply / demand levels are in balance at the time of the appraisal inspection. Market influences in the general area are considered typical and stable. MLS records indicate a typical market exposure time of under 3 months. The median sales price was researched for sales in a one mile radius for the first 6 months and the most recent 6 months prior to the date of the appraisal. The first 6 months of the year the median sales price was found to be \$645,000. The most recent 6 months were researched and the median sales price was found to be \$647,500. Based on the calculated information the median sales price of homes similar to the subject in the market area were found to be stable at the time of the inspection. At the time of the inspection the subjects future marketability should not be affected.

In 2008 the Country faced its most serious financial crisis since the great depression. As record high home prices in the Baltimore Washington corridor turned decisively downward in 2007, the entire U.S financial sector began to crumble. The "Great Recession" would take a toll on real estate prices for the next several years. In recent years home prices in the mid-atlantic area have continued to remain stable or increase as the availability of credit coupled with the low interest rates and high demand fuel a sellers market. Base Realignment and Closure (BRAC) has also brought willing and active buyers into various military installations in the Baltimore / Washington corridor. At the present time property values in this area of Baltimore County continue to remain stable. Sales concessions of up to 6 percent in points or closing costs are common in this area.

***The median sales price data was obtained from the bright MLS and is deemed reliable, but is not guaranteed by bright or the appraiser. This information is considered to be secondary data obtained by the appraiser. Outliers to the data set are often omitted from the data above and only "comparable sales" contribute to the data set.***

**Adverse Site Conditions**

Normal utility easements exist for electric, telephone, etc. There are no apparent adverse easements, encroachments, or other apparent adverse conditions. Refer to title for any easements of record.

**Regarding GLA and Basement Measurements**

All measurements for the subject property were made by the appraiser at the time of the appraisal inspection in accordance to Fannie Mae, HUD, and ANSI Z765 guidelines. Only finished areas were considered on the above grade area and the basement was included on the basement & finished line of the sales grid. Were applicable the subject was measured on the exterior of the dwelling. The interior was measured when the exterior was unable to be measured or determined. All measurements were performed in strict accordance to industry standards.

**Regarding Adjustments Utilized In Sales Comparison**

All adjustments utilized in the sales grid were derived from the paired sales analysis. The Government Sponsored Enterprises (GSE) do not have specific limitations or guidelines associated with net or gross adjustments. The number and/or amount of the dollar adjustments must not be the sole determinant in the acceptability of a comparable. Ideally, the best and most appropriate comparable would require no adjustment; however this is rarely the case as typically no two properties or transaction details are identical. Some adjustments were determined using the sales provided in the report. However, other sales from the market area were utilized and were not included in the report. They were used to determine the amount of the adjustment. To make sure the comparison was apples to apples and as accurate as possible the appraiser first removed all other factors of value besides the adjustment in question. The remainder left over became the adjustment utilized on the sales grid. By removing the additional influences of value the appraiser attempted to extract the data from an otherwise weak indicator of market value to gain perspective on market reaction. **In the Sales Comparison Approach below the appraiser discloses the adjustment rationale utilized by the field and Paired Sales, Extracted Market Data, or N/A.**

The quality and condition ratings for the subject and comparables are based upon my personal inspection of the subject, and my interpretation of the photos and comments for comparable sales from the MLS, and how they compare to the subject. They fall under the same adjustment rationale utilized above. The appraiser also relies upon the Core Logic Smart Exchange which allows peer data to be viewed by the appraiser. The peer data as considered, but not always accurate due to the data being considered dated or contradictory to MLS photos or primary data obtained by the appraiser. The appraiser does not have knowledge or information regarding the adjustment methods utilized by appraiser's peers. See the comment above (Regarding GLA and Basement Adjustments) for an explanation of how the measurements of the subject were performed.

**Sales Comparison Analysis - Summary of Sales Comparison Approach / Adjustment Rationale**

**Proximity to Subject - N/A** - Comp 2 exceeds one mile. Every effort was made to locate Colonial style comps within the typical one mile underwriting guideline; however, due to the lack of settled sales the search was expanded beyond one mile to homes of varying design offering similar GLA, function, and utility. Adjustments were not warranted for differences in design or location.

**Financing - N/A** - Adjustments for differences in financing (FHA, VA, Conventional, and Cash) were not considered. The market does not warrant differences in the type of financing.

**Concessions - N/A** - Seller concessions of up to 6% are typical for the market area and deemed acceptable. The concessions of the comps did not appear to impact the sale of the properties. Therefore, an adjustment for concessions below 6% was not warranted.

**Form of Ownership - N/A** - Per SDAT (MDAT) the subject is currently owned in Fee Simple form of ownership.

**Site - N/A** - Adjustments were made for significant differences in site size at a rate of \$20,000 per acre or \$.46 per square foot for differences over \$1,000. The subjects site size is typical for the market area and the future marketability of the subject should not be affected.

**View - N/A** - The subjects view rating is considered to be Residential and Woods. Differences in the sub-view were not made due to a lack a sufficient market data and the inability to extract the market reaction for differences other than Adverse, Neutral, or Beneficial.

**Actual Age - N/A** - Adjustments for significant differences in chronological age were not made. Rather, the age was considered

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on the condition line of the sales grid using agent remarks, interior, and exterior photos from the MLS (MRIS).

**Quality of Construction - N/A** - Adjustments for differences in quality of construction were not made to the comps. The exterior of the subject property, like the comparables is typical for the market area and did not warrant an adjustment.

**Condition - Extracted Data** - The appraiser judged the subject to be in C4 condition due to deferred maintenance. Agents reported comps 1, 2, 3, and 4 to be in C3 condition: therefore, an adjustment was made to comps 1, 2, and 3 for differences in condition based on their recent updates and upgrades such as the kitchen, flooring, and bathrooms.

**Room Count - N/A** - Adjustments for differences in overall room count as well as bedroom count were not made on the sales grid. Rather the adjustment was considered on the Gross Living Area (GLA) line of the sales grid. Adjustments for differences in bathroom count were made at a rate of \$5,000.

- Adjustments were made for significant differences in gross living area between the subject and the comps at a rate of \$50 per square foot.

**Basement & Finished - N/A** - Adjustments for differences in basement square footage was not made on the sales grid; rather, the adjustment was considered on the rooms below grade line of the sales grid. Each room below grade received an adjustment of \$5,000. Differences in finished rooms were not considered and each room was given equal value on the grid. Laundry and Utility rooms were not considered to be finished rooms and did not receive value.

**Heating / Cooling - Paired Sales 1 and 3** - Adjustments for differences in heating and cooling was not considered. An adjustment was warranted for differences in recently updated or upgraded systems as well as geothermal units which are much more costly to install.

**Energy Efficient Items - Paired Sales 1 - 3** - Adjustments for differences in energy efficient items (windows) were not considered unless recently updated. The type of window (casement, slide, double hung or single hung) does not warrant an adjustment in the subjects market area.

**Garage / Carport - N/A** - Differences in garage spaces were made on the sales grid at a rate of \$10,000. The driveway number of cars on page 1 denotes width and not total car storage or off street parking. Adjustments for differences in driveway width were not considered on the sales grid due a lack of market data and the inability to match pair an adjustment.

**Porch/Patio/Deck, Etc. - Extracted Data** - Deck or Patio adjustments were made at a rate of \$5,000, Covered Porch or Patio \$6,000, and Screened Porch \$7,000.

**Fireplace, Etc. - Extracted Data** - Fireplace adjustments were made at a rate of \$5,000 and Central Vacuum \$2,500.

**Fence, Pool, Etc. - Extracted Data** - Fence adjustments were made at a rate of \$2,500, Hot Tub \$2,500, and In-Ground Pool \$20,000.

**Features - Paired Sales 1 and 3** - The Uniform Appraisal Dataset (UAD) definitions speak heavily towards overall condition and building components. While kitchens may fall under building components this appraiser utilizes the blank line at the bottom of the sales grid to denote kitchen finishes (ie. granite, Corian, Silestone, upgraded cabinets, upgraded appliances, upgraded fixtures, etc.) This adjustment is in lieu of a larger condition adjustment on the sales grid which often confuses the reader as they are unable to determine the exact cause for the adjustment. By separating the adjustments it allows the reader a better overall sense of the kitchen finishes of the subject property versus the comparable sales utilized. Because kitchens are such a large factor in the resale of a property they are adjusted for separately on the grid. The factors considered on the condition line of the grid under overall condition and building components then becomes effective age, the remaining life of the roofing materials, flooring components, and the level of deferred maintenance (curable and incurable).

#### **Typical Underwriting Criteria**

- Across the board adjustments were made for differences in amenities and are typical for that line of the appraisal grid. An extensive search of the MLS (bright) failed to yield comps to bracket the subject with similar amenities. The future marketability of the subject should not be affected due to its amenities. A search in time and outside of the market area across board

- Sheds were considered to be personal property and due to a lack of sufficient market data were not given value in this appraisal report.

**- The subject has an annual special assessment tax (\$60) which provides and finances infrastructure improvements including bulk trash pick up, recycling pick up, and parks and recreation services. It is included in the subjects total tax bill. The subject also has an annual front foot assessment for water and sewer lines payable to a private utility company. This is also included in the subjects total tax bill.**

- The percentage of land marked "other" on the present land use section of page 1 of the URAR denotes vacant land.

- The rooms marked other on the rooms below grade section of the sales grid indicate Dens, Theater Rooms, etc. Laundry rooms, storage rooms, and furnace rooms are considered to be unfinished rooms and not given value in this appraisal report.

- All GLA for the comparable sales is estimated on the sales grid. Unless indicated the appraiser has not physically measured the comparable sales. The subject was measured at the time of the inspection in accordance to ANSI Z765.

- The date listed on the date of sale / time line of comps 1 - 3 is the settle date of those comps.

**- MLS (MRIS) records indicate a typical market exposure time of under 3 months. The average marketing time is under 3 months; however, if the comps are not priced correctly the when listed for sale the marketing time may exceed 3 months.**

- Every effort was made to bracket (Larger, Smaller, Equal) the subject in GLA, age, site size, and other features on the sales grid; however, due to the lack of settled sales the subject was unable to be bracketed. Across the board adjustments are typical on these lines of the grid.

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- Comps in the subjects market area are typically selling for 98% of the Listing Price. The additional % was subtracted from the active listings at the lenders request. The list to sales price ratio is not applied to Contract sales as they may settle at their current contract price. The list to sale price ratio is derived from the 1004MC. The average marketing time is under 3 months; however, if the comps are not priced correctly when listed for sale the marketing time may exceed 3 months. Sales concessions of up to 6% are typical for the market area and an adjustment was not warranted.

- At the time of the appraisal although a few were noted, foreclosures were not prevalent in the subjects neighborhood or market area due to the large number of state and federal government jobs available. At the present time or in the near future foreclosures should not affect the subjects future marketability.

- The prior transfers of the subject and the comps is obtained using the MLS (bright), SDAT (MDAT), and DataMaster USA. The subject or the comparables sales utilized in this report may have transferred; however, they may not have been recorded in the fore mentioned sites until post delivery of this appraisal. The appraiser has individually examined each sale to determine if the property has transferred in the year prior to the effective date of the appraisal report.

- The value range provided on the top of page 2 in the URAR form is the value range of "comparable sales" for the past year and "comparable listings" in the subjects neighborhood or market area. These homes may compete with the subject in the eyes of a willing buyer if marketed against each other in the future. For this reason they were considered "comparable" and noted in the appraisal report.

- It was noted that the land value may exceed 30% of the subjects appraised value; however, the land to value ratio is typical in the market area and is in line with the assessed values and comparable sales within the subjects neighborhood. Moreover, the land to value ratio is due to positive locational factors and does not have an adverse impact on market ability.

- All utilities were operable at the time of the appraisal inspection. The appliances were present and operable. The range, dishwasher, disposal, and microwave are considered to be real property. The refrigerator is considered to be personal property.

- All sales prices utilized in this appraisal report were obtained using the MLS (bright). Once recorded, the sales priced may reflect a different figure due to clerical errors or additional cost associated (back taxes, HOA dues, liens, Etc.) with the purchase of the comparable. The listing agent is considered to be the most accurate source of secondary data available to the appraiser.

**Final Reconciliation**

The following weight and explanation for the amount was placed on the comps is as follows:

Comp 1 - 40% / Comp 2 - 40% - These comparables had the most recent settle dates and best reflect the subject in the eyes of a willing and active buyer.

Comp 3 - 20% - This comparable is a slightly dated sale based on the contract date. It was provided to demonstrate stability in the market in the year prior to the date of the appraisal.

**Cost Approach Comments**

**All weight was placed on the Sales Comparison Analysis as it better reflects values in the eyes of a willing and active buyer. The site value was obtained using the extraction method by gridding a comparable sale on the cost approach. Since we know the recent transfer price of a comparable sale it was added to the cost approach in an effort to arrive at a land value. This was performed using a cost index and builders price per square foot for above grade area, plus a price per square foot for the basement area, plus amenities (defined under Comments on the Sales Comparison Approach), plus garage or carport square footage, less depreciation based on the effective age based on a lifespan of 65 years. The "As Is" site improvements are added to this figure to arrive at a total without the land value added. The differences between the sales price and the total sum of the fore mentioned items will be the land value. Once a comparable sale tallied on the cost approach the subject can be added to arrive at a cost approach value. Because land value in the Baltimore Washington corridor is at a premium due to the high build up of the area the cost approach is not considered a reliable method to value and all weight was placed on the sale comparison approach as it best reflects the subject in the eyes of a willing and active buyer.**

**ENDING ADDENDA:**

1. The addenda and exhibits with this appraisal are integral parts of the appraisal and may not be used separately. Nor, may any single part of this appraisal be used to indicate value without the entire appraisal. This appraisal is meant to estimate value as of the appraisal date only. It is "a snapshot in time", and the value may change with changes in the condition of the subject property, with changes in the real estate market and with changes in general economic conditions.
2. As directed by FNMA guidelines, the room count and gross living area are computed only on those rooms that are totally above grade. Also, as directed by and FNMA guidelines, any finished rooms (i. e., recreation rooms, bathrooms, clubrooms, etc.) that are located part or fully below grade are treated as basement rooms provided they are totally finished.
3. Statistics in the subject's marketing area have been researched in order to complete a (GRM) Gross Rent Multiplier Analysis. In this area, typically single family dwellings are used as primary residences. Insufficient data was available to develop a reliable Gross Rent Multiplier due to few transactions of comparable homes that were rented at the time of their sale. Thus, the Income Approach, which utilizes a Gross Rent Multiplier, was considered but was not used in this appraisal.
4. Unless otherwise noted, no value for personal property, other than what is typical for the area, is included in the value of the property.
5. Property taxes are from the Baltimore County tax computer and were the most recent available to the appraiser.
6. The reported predominant value is typical of this market area.
7. The location map in this report is included to assist anyone reading this report. Unless otherwise noted, on map or elsewhere in this report, the top of the exhibit page indicates the northerly direction in relation to the subject property.
8. A reasonable marketing period for the subject property is under 3 months, if properly priced. Marketing time is projected for the subject based on supply and demand factors noted in the neighborhood section of the report. Days on Market (DOM), which is shown on the market grid for each comparable sale, represents information provided from the listing card from the Multiple

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Listing Service. This information pertains to the most recent listing card and does not take into consideration any prior listings, either from the broker or as a private sale (i.e., for sale by owner).

9. The market at this time does not warrant any adjustments between FHA, VA, and Conventional financing.

10. The appraiser was not aware, nor made aware of hazardous material, toxic waste, contaminated soil and/or landfill, or any other environmental hazards in the immediate area of the subject property. However, appraiser does not warrant that no environmental hazards exist in the immediate area. Any testing for such substances or identification of those materials is beyond the scope of this appraisal and the qualifications of the appraiser.

11. Radon gas, as a potential health hazard, can only be detected by sophisticated, scientific procedures beyond the scope of this appraisal and the qualifications of the appraiser. Therefore, the presence of radon, or lack thereof, was not a factor considered in the estimated market value of the subject property. If radon gas is present, the market value would be affected by the extent of the infiltration of this gas and its ability to be cured. A radon gas test is recommended.

12. No liability is assumed for structural or mechanical elements (plumbing, electrical or heating/central air systems, roof, appliances, etc.) or insulation factors or adequacy. It is assumed that, unless otherwise noted, all appliances, systems, and mechanical and structural elements are sound and in good working order. Any insulation factors used in this appraisal were provided by the owner and/or builder of the property. No warranty of the appraised property is implied or given. If there is any question about any of the above items, it is the client's responsibility to order the appropriate inspection by an appropriate expert. The appraiser is not an expert in the inspection of any of the individual components of any property.

13. Unless indicated in the improvements section of this appraisal report, there was no visible evidence of dampness or unusual settlement observed during the inspection, nor was there visible termite infestation. However, termite inspection goes beyond the scope of this appraisal. The appraiser is not trained to detect termites or any other wood boring insects and a termite inspection is recommended.

14. Unless otherwise noted on the main URAR appraisal report or an attached addendum, no significant functional or external obsolescence was noted upon inspection.

15. The appraiser/appraisers assume no responsibility for the existence of potentially hazardous material, such as UFFI insulation, asbestos, lead or lead based products, etc., used in the construction or maintenance of the building. NOTE: Buildings built before January 1, 1979 may contain lead paint and, therefore, may present a lead paint poisoning hazard. No liability is assumed for the possible presence of defective fire retardant plywood, (that may deteriorate prematurely) that may have been used in roof construction of this building. Any testing for such substances or identification of those materials is beyond the scope of this appraisal and, if found through such testing or inspection, might adversely affect the value of the property or void the value indicated on the appraisal. Inspection and/or testing for all these potentially hazardous materials by a qualified professional is recommended when there is any doubt about their existence.

16. Site value is based on review of recent land sales, site to value ratios, and land records. It was noted that the land value may exceed 30% of the subjects appraised value; however, the land to value ratio is typical in the market area and is in line with the assessed values and comparable sales within the subjects neighborhood. Moreover, the land to value ratio is due to positive locational factors and does not have an adverse impact on market ability.

17. Floor area calculations are approximate. Square footage figures used in this appraisal are based on the best available sources. Floor plan drawings may not be drawn to scale, and are not meant to be precise, but are used to help visualize the property. For a more detailed floor plan, the reader of this report should obtain blue prints from the architect or builder of the property. Any minor deviations in measurements do not have a significant effect on final value.

18. No adjustments were made on the market grid for total room count or bedrooms. The differences are considered in the adjustment for gross living area. Bathrooms are given dollar adjustments for differences in utility and due to the expense incurred in their construction.

19. All comparables represent settled sales, to the best of the appraiser's knowledge, unless otherwise noted. Verification is with land records, Realtors, MLS (bright) information, sellers or buyers. Every effort has been made to comply with FNMA guidelines.

20. Since not every subject property can be compared to "ideal" comparable sales, the appraiser has chosen the best comparables available from the subject's market which meet the investor underwriting standards and the guidelines established by appraisal organizations with which the appraiser is affiliated.

21. The price per square foot of living area (URAR, Sales price / Gross Living Area) varies more than \$10.00 due to differences in the amenities and/or condition of the comparables.

22. The appraiser is currently a Certified Residential Appraiser in the State of Maryland, License # 03-11217, expiration date 11/27/2019, and is qualified to appraise all residential Real Estate. The appraiser is also listed on the Lender Select Roster of Appraisers (Roster) in the Baltimore HUD office and in the Washington DC HUD office and is, therefore, qualified to do FHA Direct Endorsement appraisals for the Department of Housing and Urban Development.

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**Subject Front**

3018 Susanne Ct  
Sales Price  
Gross Living Area 4,917  
Total Rooms 10  
Total Bedrooms 4  
Total Bathrooms 4.1  
Location WorthingtonWdsyd  
View Residential  
Site 1.28 ac  
Quality Q3  
Age 23



**Subject Rear**



**Subject Street**

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**Address Verification**



**Living Room**



**Dining Room**



**Half bathroom**



**Living Room**



**Sun Room**



**Family Room**



**Morning Room**



**Kitchen**



**Kitchen (View 2)**



**Laundry Room**



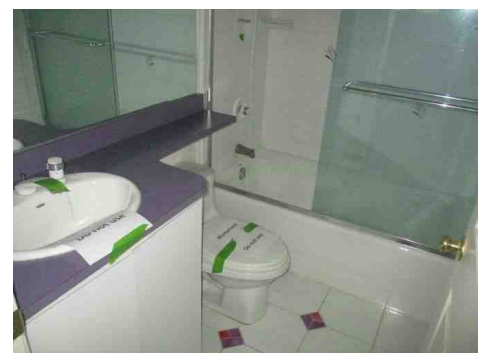
**Garage**



**Garage (View 2)**



**Bedroom**



**Bathroom 1**

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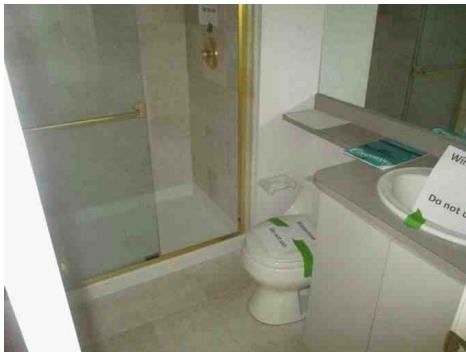
**Bedroom**



**Bathroom 2**



**Bedroom 1**



**Bathroom 3**



**Bedroom 2**



**Bedroom 2 (View 2)**



**Bathroom 4**



**Bathroom 4**



**Bathroom 4**



**Water Treatment**



**Electrical Panel**



**Central Vacuum / Furnace**



**Rec Room**



**Laundry Room**



**Bedroom**

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**Basement Bathroom**



**Rec Room**



**Den**



**In-Ground Pool**



**Damaged Window Frame**



**Damaged Window Frame**



**Hot tub**



**Right Side**



**Left Side**



**Damaged Window Frame**



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**Comparable 1**

12219 Garrison Forest Rd  
 Prox. to Subject 0.99 miles W  
 Sales Price 630,000  
 Gross Living Area 4,308  
 Total Rooms 11  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location WorthingtonPark  
 View Residential/Wds  
 Site 1.51 ac  
 Quality Q3  
 Age 13



**Comparable 2**

12622 Waterspout Ct  
 Prox. to Subject 1.22 miles N  
 Sales Price 625,000  
 Gross Living Area 4,420  
 Total Rooms 11  
 Total Bedrooms 4  
 Total Bathrooms 3.1  
 Location Waterspout  
 View Residential  
 Site 1.22 ac  
 Quality Q3  
 Age 29



**Comparable 3**

9 Hawick Ct  
 Prox. to Subject 0.82 miles NW  
 Sales Price 625,000  
 Gross Living Area 4,578  
 Total Rooms 11  
 Total Bedrooms 5  
 Total Bathrooms 3.2  
 Location Dorset Hills  
 View Residential/Wds  
 Site 1.09 ac  
 Quality Q3  
 Age 27

**Market Conditions Addendum to the Appraisal Report**

File No. 1905274A

The purpose of this addendum is to provide the lender/client with a clear and accurate understanding of the market trends and conditions prevalent in the subject neighborhood. This is a required addendum for all appraisal reports with an effective date on or after April 1, 2009.

Property Address 3018 Susanne Ct City Owings Mills State MD ZIP Code 21117

Borrower N/A

**Instructions:** The appraiser must use the information required on this form as the basis for his/her conclusions, and must provide support for those conclusions, regarding housing trends and overall market conditions as reported in the Neighborhood section of the appraisal report form. The appraiser must fill in all the information to the extent it is available and reliable and must provide analysis as indicated below. If any required data is unavailable or is considered unreliable, the appraiser must provide an explanation. It is recognized that not all data sources will be able to provide data for the shaded areas below; if it is available, however, the appraiser must include the data in the analysis. If data sources provide the required information as an average instead of the median, the appraiser should report the available figure and identify it as an average. Sales and listings must be properties that compete with the subject property, determined by applying the criteria that would be used by a prospective buyer of the subject property. The appraiser must explain any anomalies in the data, such as seasonal markets, new construction, foreclosures, etc.

Inventory Analysis	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)	1	3	2	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)	0.17	1	0.67	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Total # of Comparable Active Listings	5	3	3	<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Housing Supply (Total Listings/Ab.Rate)	30	3	4.5	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Sale & List Price, DOM, Sale/List %	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Median Comparable Sale Price	\$645,000	\$625,000	\$670,000	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Median Comparable Sales Days on Market	5	137	213	<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Increasing
Median Comparable List Price	\$650,000	\$699,900	\$650,000	<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input checked="" type="checkbox"/> Declining
Median Comparable Listings Days on Market	74	200	164	<input checked="" type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Median Sale Price as % of List Price	100	96.92	91.09	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining
Seller-(developer, builder, etc.)paid financial assistance prevalent?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			<input type="checkbox"/> Declining	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Explain in detail the seller concessions trends for the past 12 months (e.g., seller contributions increased from 3% to 5%, increasing use of buydowns, closing costs, condo fees, options, etc.). The Bright MLS Listings MLS indicates there were 6 closed sales during the past 12 months and 3 of those sales contained seller concessions which is 50% of the total transactions in this market area. Prior Months 7-12: 1 Sales; 0 with concessions; 0% of sales for this period. 4-6: 3 Sales; 3 with concessions; 100% of sales for this period. 0-3: 2 Sales; 0 with concessions; 0% of sales for this period. The concessions ranged between \$2,500 and \$28,481. The median concession amount is \$7,700.

Are foreclosure sales (REO sales) a factor in the market?  Yes  No If yes, explain (including the trends in listings and sales of foreclosed properties).

The data used in the grid above does not indicate there were any REO/Short sales or other distressed properties associated with the reported transactions. However, this is not a mandatory reporting field for agents and there may be some distressed sales that were not reported. It is beyond the scope of this assignment to confirm each sale used in the Market Conditions Report.

Cite data sources for above information. This information was obtained from the Bright MLS, Core Logic, Agents, and The Maryland Department of Assessments and Taxation. This information is deemed reliable, but is not guaranteed by MRIS or the appraiser. This information is considered to be secondary data obtained by the appraiser from an outside source.

Summarize the above information as support for your conclusions in the Neighborhood section of the appraisal report form. If you used any additional information, such as an analysis of pending sales and/or expired and withdrawn listings, to formulate your conclusions, provide both an explanation and support for your conclusions.

Some portions of the Inventory Analysis and the Median Sale & List Price, DOM, and List to Sale Ratio sections were unable to be obtained due to the limited availability of market data. If applicable a "0" will denote any sections where data was not available. The information supplied in the Median Sale & List Price section above is the median and not the mean for the figures provided. The median was provided to the reader as it better depicts the market at the time of the appraisal and dismisses all outliers from the data set. Pending sales and Active Listings were not utilized to obtain any information other than the listing days on market and the comparable list price data. Withdrawn comparables did not have an influence on any of the data above. See Addendum: Neighborhood Market Conditions for a more accurate depiction of property values in the subjects market area. The data provided in that section of the appraisal report was utilized to determine the direction of the market at the time of the appraisal inspection. \*\*\*\*\*The MLS does not allow retrospective searches for active listing inventory: it is not possible to perform as absorption rate analysis for the prior periods, or to derive the median comparable list price and DOM trends for the prior period.\*\*\*\*\*

If the subject is a unit in a condominium or cooperative project, complete the following:

Project Name:

Subject Project Data	Prior 7-12 Months	Prior 4-6 Months	Current - 3 Months	Overall Trend		
Total # of Comparable Sales (Settled)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Absorption Rate (Total Sales/Months)				<input type="checkbox"/> Increasing	<input type="checkbox"/> Stable	<input type="checkbox"/> Declining
Total # of Active Comparable Listings				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing
Months of Unit Supply (Total Listings/Ab.Rate)				<input type="checkbox"/> Declining	<input type="checkbox"/> Stable	<input type="checkbox"/> Increasing

Are foreclosure sales (REO sales) a factor in the project?  Yes  No If yes, indicate the number of REO listings and explain the trends in listings and sales of foreclosed properties.

Summarize the above trends and address the impact on the subject unit and project.

Signature  
 Appraiser Name Adam J. Bolling  
 Company Name Appraisal Concepts, Inc.  
 Company Address 8120 Armiger Drive, Pasadena, MD 21122  
 State License/Certification # 30011217 State MD  
 Email Address appraisalconceptsinc@gmail.com

Signature  
 Supervisory Appraiser Name  
 Company Name  
 Company Address  
 State License/Certification # State  
 Email Address

## UNIFORM APPRAISAL DATASET (UAD) DEFINITIONS ADDENDUM

(Source: Fannie Mae UAD Appendix D: UAD Field-Specific Standardization Requirements)

### Condition Ratings and Definitions

#### C1

The improvements have been recently constructed and have not been previously occupied. The entire structure and all components are new and the dwelling features no physical depreciation.

Note: Newly constructed improvements that feature recycled or previously used materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100 percent new foundation and the recycled materials and the recycled components have been rehabilitated/remanufactured into like-new condition. Improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (that is, newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).

#### C2

The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category are either almost new or have been recently completely renovated and are similar in condition to new construction.

Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.

#### C3

The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.

#### C4

The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.

#### C5

The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.

#### C6

The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.

### Quality Ratings and Definitions

#### Q1

Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

#### Q2

Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residence constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

## Quality Ratings and Definitions (continued)

### Q3

Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

### Q4

Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

### Q5

Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

### Q6

Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure

## Definitions of Not Updated, Updated, and Remodeled

### Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical/functional deterioration.

### Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

### Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of) square footage). This would include a complete gutting and rebuild.

## Explanation of Bathroom Count

Three-quarter baths are counted as a full bath in all cases. Quarter baths (baths that feature only a toilet) are not included in the bathroom count. The number of full and half baths is reported by separating the two values using a period, where the full bath count is represented to the left of the period and the half bath count is represented to the right of the period.

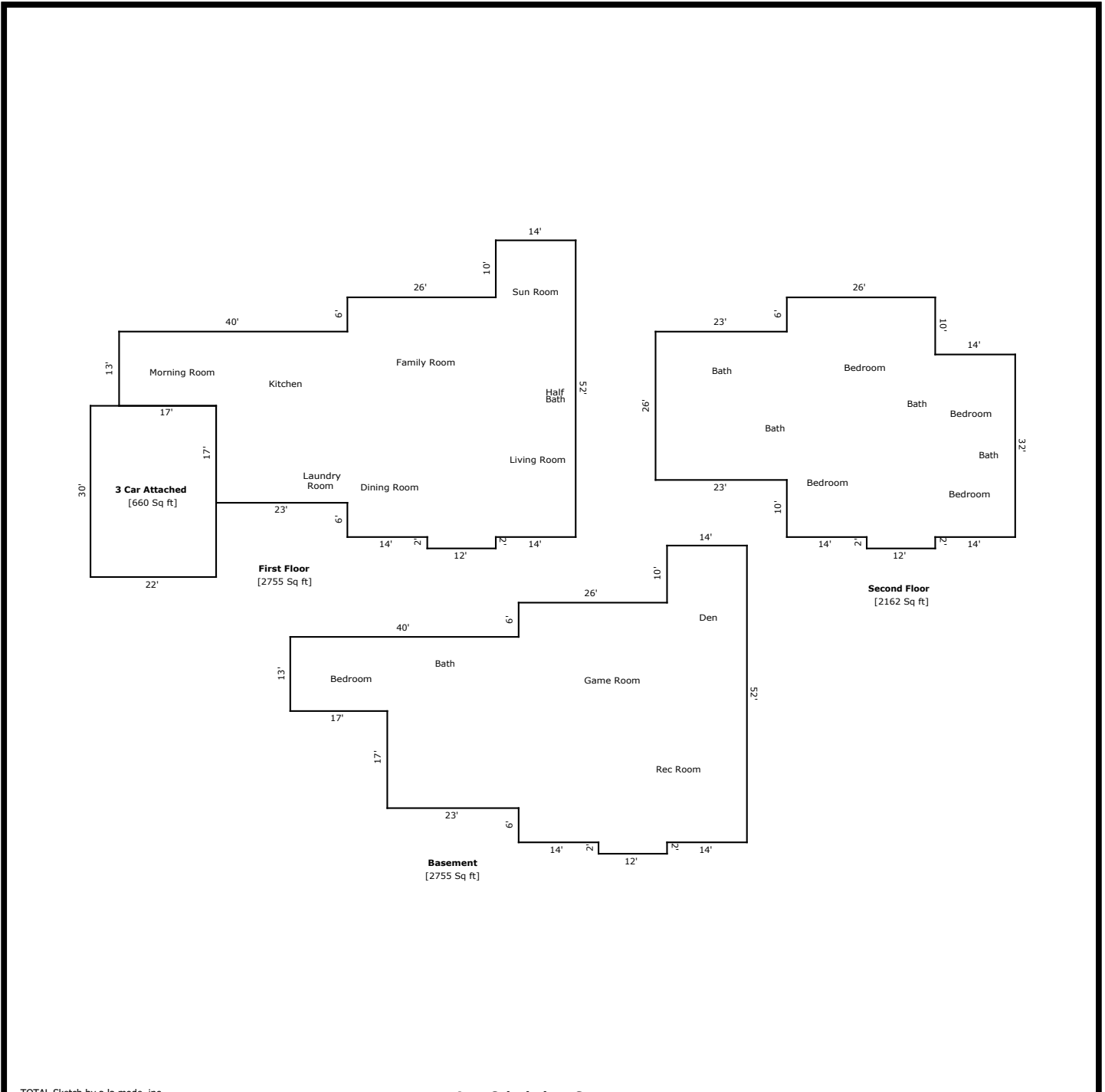
### Example:

3.2 indicates three full baths and two half baths.



**Building Sketch**

Borrower	N/A		
Property Address	3018 Susanne Ct		
City	Owings Mills	County	Baltimore
		State	MD
		Zip Code	21117
Lender/Client			

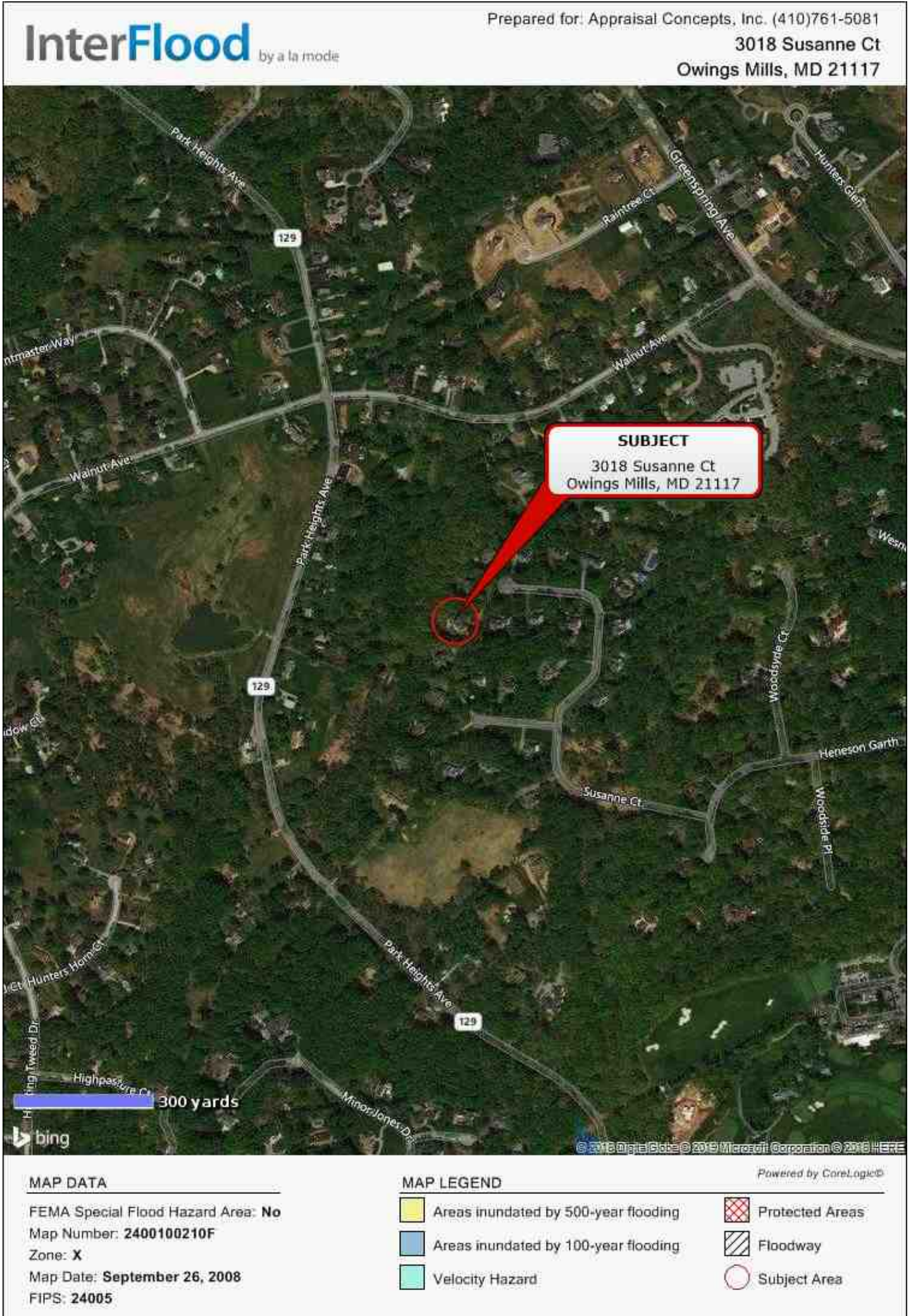


TOTAL Sketch by a la mode, inc.

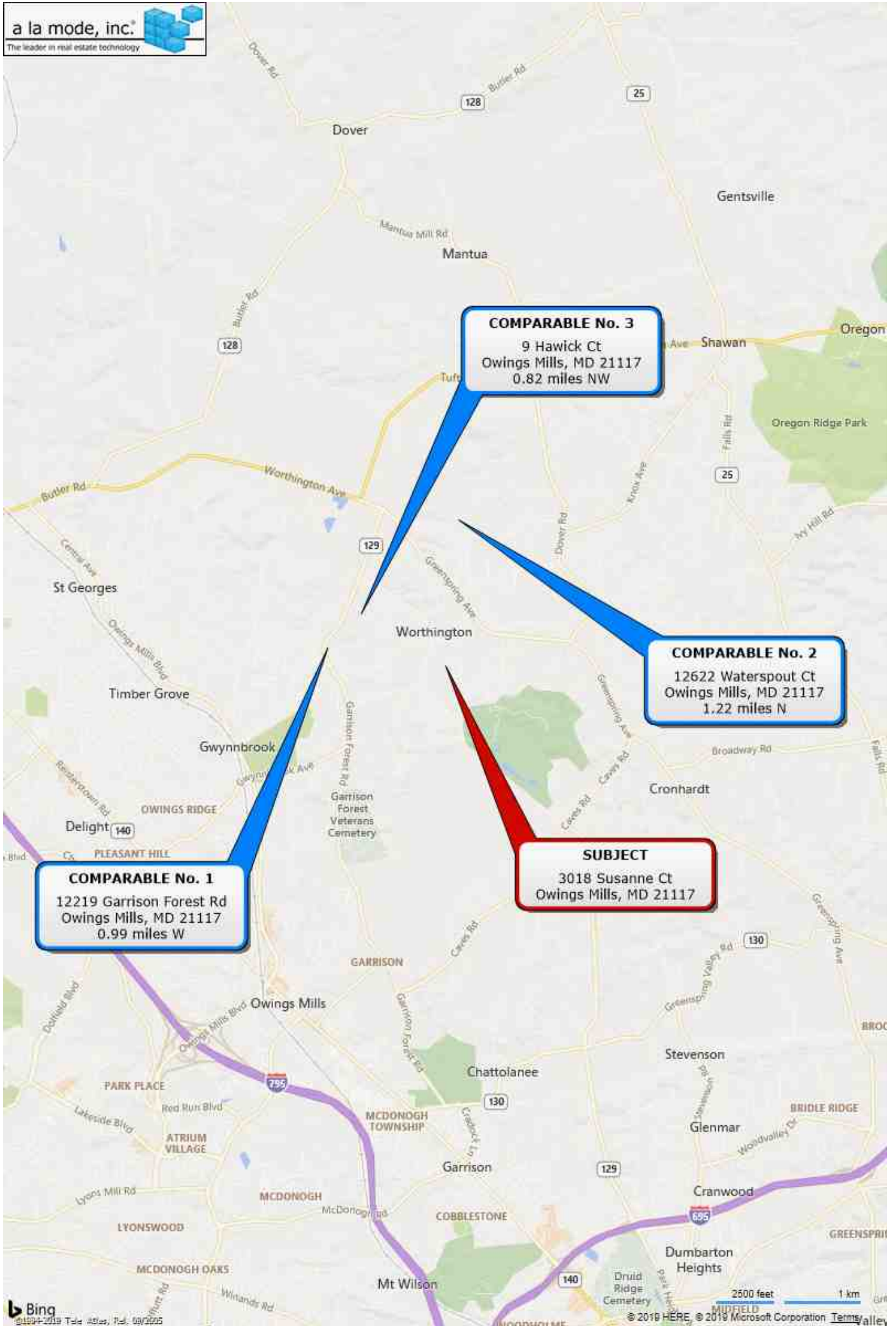
**Area Calculations Summary**

Living Area		Calculation Details	
First Floor	2755 Sq ft	52 × 14 =	728
		13 × 17 =	221
		30 × 23 =	690
		26 × 42 =	1092
		2 × 12 =	24
Second Floor	2162 Sq ft	12 × 2 =	24
		26 × 23 =	598
		40 × 32 =	1280
		26 × 10 =	260
<b>Total Living Area (Rounded):</b>	<b>4917 Sq ft</b>		
Non-living Area			
3 Car Attached	660 Sq ft	30 × 22 =	660
Basement	2755 Sq ft	52 × 14 =	728
		13 × 17 =	221
		30 × 23 =	690
		26 × 42 =	1092
		2 × 12 =	24

Borrower	N/A				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD Zip Code 21117
Lender/Client					



Borrower	N/A				
Property Address	3018 Susanne Ct				
City	Owings Mills	County	Baltimore	State	MD Zip Code 21117
Lender/Client					





Borrower	N/A		
Property Address	3018 Susanne Ct		
City	Owings Mills	County	Baltimore
		State	MD
		Zip Code	21117
Lender/Client			

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



**DLLR**  
DEPARTMENT OF LABOR, LICENSING AND REGULATION

LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

**STATE OF MARYLAND**

**DEPARTMENT OF LABOR, LICENSING AND REGULATION**

**COMMISSION OF RE APPRAISERS & HOME INSPECTORS**

CERTIFIES THAT:

ADAM BOLLING


Lawrence J. Hogan, Jr  
Governor

Boyd K. Rutherford  
Lt. Governor

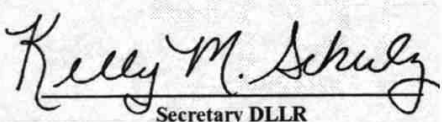
Kelly M. Schulz  
Secretary

**IS AN AUTHORIZED: 03 - CERTIFIED RESIDENTIAL**

<u>LIC/REG/CERT</u>	<u>EXPIRATION</u>	<u>EFFECTIVE</u>	<u>CONTROL NO</u>	
11217	11-27-2019	11-01-2016	4921824	



Signature of Bearer



Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

Borrower	N/A						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client							



301 E. Fourth Street, Cincinnati, OH 45202

**DECLARATIONS**  
for  
**REAL ESTATE APPRAISERS**  
**ERRORS & OMISSIONS INSURANCE POLICY**

**THIS IS BOTH A CLAIMS MADE AND REPORTED INSURANCE POLICY.**

**THIS POLICY APPLIES TO THOSE CLAIMS THAT ARE FIRST MADE AGAINST THE INSURED AND REPORTED IN WRITING TO THE COMPANY DURING THE POLICY PERIOD.**

Insurance is afforded by the company indicated below: (A capital stock corporation)

Great American Assurance Company

Note: The Insurance Company selected above shall herein be referred to as the **Company**.

Policy Number: **RAP4114813-19** Renewal of: **RAP4114813-18**

Program Administrator: **Herbert H. Landy Insurance Agency Inc.**  
**75 Second Ave Suite 410 Needham, MA 02494-2876**

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Item 1. **Named Insured:** **Adam J. Bolling**

Item 2. **Address:** **8120 Armiger Drive**  
City, State, Zip Code: **Pasadena, MD 21122**

Item 3. **Policy Period:** From 01/03/2019 To 01/03/2020  
(Month, Day, Year) (Month, Day, Year)  
(Both dates at 12:01 a.m. Standard Time at the address of the **Named Insured** as stated in Item 2.)

Item 4. **Limits of Liability:**

- A. \$ 1,000,000 **Damages** Limit of Liability – Each Claim
- B. \$ 1,000,000 **Claim Expenses** Limit of Liability – Each Claim
- C. \$ 2,000,000 **Damages** Limit of Liability – Policy Aggregate
- D. \$ 2,000,000 **Claim Expenses** Limit of Liability – Policy Aggregate

Item 5. **Deductible** (Inclusive of **Claim Expenses**):

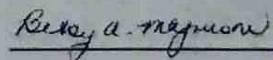
- A. \$ 0.00 Each Claim
- B. \$ 0.00 Aggregate

Item 6. **Premium:** \$ **650.00**

Item 7. **Retroactive Date** (if applicable): **01/03/2006**

Item 8. **Forms, Notices and Endorsements attached:**

**D42100 (03/15) D42300 MD (10/15) IL7324 (08/12)**  
**D42413 (06/17) D42412 (03/17) D42408 (05/13)**

  
Authorized Representative

Borrower	N/A						
Property Address	3018 Susanne Ct						
City	Owings Mills	County	Baltimore	State	MD	Zip Code	21117
Lender/Client							

**Adam J Bolling**

8120 Armiger Dr.

Pasadena, MD 21122

[appraisalconceptsinc@gmail.com](mailto:appraisalconceptsinc@gmail.com)

410-761-5081

---

**Education :**

Appraisal Courses Include:

2013 - Essential Elements of Disclosures and Disclaimers

Construction Details and Trends

Introduction to the Uniform Appraisal Dataset

2010- Introduction to Legal Descriptions

2010-2011 National USPAP Update Equivalent

Risky Business: Ways to Minimize Your Liability

Residential Report Writing

Appraising FHA Today

2007- Highest & Best Use / Market Analysis

Real Estate Finance Statistics and Valuation Modeling

2006- Technology for Today's Appraiser

Construction Details and Trends

Appraising for the Secondary Market

Information Technology for Real Estate

2006 National USPAP Update Course

Developing and Growing and Appraisal Practice

**Professional Experience:**

2006-Present Owner/ President Appraisal Concepts, Inc.

1999-2005 Co-Owner/ Vice President A& E Appraisal Services, Inc.

**Licenses:**

Certified Residential Appraiser – State of Maryland- License# 11217, FHA (Federal Housing Administration) License # MD30011217

# INVOICE

**FROM:**

Appraisal Concepts, Inc. (410)761-5081  
 Appraisal Concepts, Inc. (410)761-5081  
 8120 Armiger Dr  
 Pasadena, MD 21122-1263

Telephone Number: (410) 761-5081 Fax Number:

**INVOICE NUMBER**

1905274A

**DATE**

05/27/2019

**REFERENCE**

Internal Order #: 1905274A  
 Lender Case #:  
 Client File #:  
 Main File # on form: 1905274A  
 Other File # on form:  
 Federal Tax ID: 16-1744888  
 Employer ID:

**TO:**

Telephone Number: Fax Number:  
 Alternate Number: E-Mail:

**DESCRIPTION**

Lender: Client: Gregory Milligan, Receiver  
 Purchaser/Borrower: N/A  
 Property Address: 3018 Susanne Ct  
 City: Owings Mills  
 County: Baltimore State: MD Zip: 21117  
 Legal Description: 1.2833 AC 3018 SUSANNE CT SWR WORTHINGTON WOODSYDE

**FEEES**

**AMOUNT**

Market Valuation	500.00
<b>SUBTOTAL</b>	<b>500.00</b>

**PAYMENTS**

**AMOUNT**

Check #:	Date:	Description:	
Check #:	Date:	Description:	
Check #:	Date:	Description:	
<b>SUBTOTAL</b>			0.00
<b>TOTAL DUE</b>			<b>\$ 500.00</b>

Payment due upon receipt, Thank You

# **EXHIBIT 4**

**APPRAISAL OF**



**LOCATED AT:**

3018 Susanne Court  
Owings Mills, MD 21117-1646

**FOR:**

Harney Partners  
401 Congress Ave, Suite 1540  
Austin, TX, 78701

**BORROWER:**

N/A

**AS OF:**

May 29, 2019

**BY:**

Herbert L Hosford III

Attn: Gregory S. Milligan, CTP  
Harney Partners  
401 Congress Ave, Suite 1540  
Austin, TX, 78701

File Number: 1905143

In accordance with your request, I have appraised the real property at:

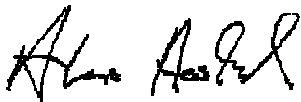
3018 Susanne Court  
Owings Mills, MD 21117-1646

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of May 29, 2019 is:

\$500,000  
Five Hundred Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.



Herbert L Hosford III

# Uniform Residential Appraisal Report

File No. 1905143

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT	Property Address <b>3018 Susanne Court</b>	City <b>Owings Mills</b>	State <b>MD</b> Zip Code <b>21117-1646</b>
	Borrower <b>N/A</b>	Owner of Public Record <b>Kevin Merrill</b>	County <b>Baltimore</b>
	Legal Description <b>Map 49, Grid 18, Parcel 235, Lot 10, District 3, Section 4 / 1.2833 AC Susanne Ct SWR Worthington Woodsyde</b>		
	Assessor's Parcel # <b>04042200023340</b>	Tax Year <b>2019</b>	R.E. Taxes \$ <b>8,128</b>
	Neighborhood Name <b>Woodsyde Heights</b>	Map Reference <b>ADC/BC 17 B-09</b>	Census Tract <b>4049.00</b>
	Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant	Special Assessments \$ <b>0</b>	<input type="checkbox"/> PUD HOA \$ <b>0</b> <input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe) <b>N/A</b>		
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) <b>Estimate of Market Value</b>		
	Lender/Client <b>Harney Partners</b>	Address <b>401 Congress Ave, Suite 1540, Austin, TX 78701</b>	
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

Report data source(s) used, offering price(s), and date(s). **Public Records (SDAT), (Bright). The subject property has not been listed in the last twelve months.**

CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.		
	Contract Price \$	Date of Contract	Is the property seller the owner of public record? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s) <b>PublicRecords</b>
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No		

**Note: Race and the racial composition of the neighborhood are not appraisal factors.**

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE AGE	One-Unit <b>75 %</b>
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	\$(000) (yrs)	2-4 Unit <b>5 %</b>
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input type="checkbox"/> Under 3 mths <input checked="" type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	<b>87</b> Low <b>0</b>	Multi-Family <b>5 %</b>
Neighborhood Boundaries <b>Greenspring Avenue to the north and to the east, Caves Valley Golf Course to the south, Park Heights Avenue (Route 129) to the west.</b>		<b>1,250</b> High <b>93</b>	Commercial <b>5 %</b>
Neighborhood Description <b>The subject property is located in the neighborhood known as "Woodsyde Heights" in the Owings Mills area of Baltimore County. The subject site is typical for the area and is located in a established residential neighborhood consisting of mostly single family homes with brick and/or frame construction. The area has good market appeal and employment is stable.</b>		<b>295</b> Pred. <b>25</b>	Other Parks <b>10 %</b>

Market Conditions (including support for the above conclusions) **General market conditions within the subject/market area reflect typical financing with no unusual points or fees noted. Sales prices are not impacted by minimal points. Supply and demand are currently in balance, resulting in typical marketing times. Current economic conditions have contributed to stable property values and growth rate.**

SITE	Dimensions <b>Unknown</b>	Area <b>1.28 ac</b>	Shape <b>Mostly Rectangular</b>	View <b>N;Res;</b>					
	Specific Zoning Classification <b>Residential (R)</b>	Zoning Description <b>Residential - 2 Story With Basement</b>							
	Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe) <b>N/A</b>								
	Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. <b>N/A</b>								
	Utilities	Public	Other (describe)	Public	Other (describe)	Off-site Improvements—Type	Public	Private	
	Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water	<input type="checkbox"/>	<input checked="" type="checkbox"/> Private Well	Street	<input checked="" type="checkbox"/> Macadam/Typical	<input type="checkbox"/>
	Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer	<input type="checkbox"/>	<input checked="" type="checkbox"/> Private Septic	Alley	<input type="checkbox"/> None/Typical	<input type="checkbox"/>
	FEMA Special Flood Hazard Area	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone	<b>X</b>	FEMA Map #	<b>2400100210F</b>	FEMA Map Date	<b>09/26/2008</b>	
	Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. <b>N/A</b>								
	Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <b>An inspection of the site revealed no apparent adverse easements, encroachments or conditions. Site is subject however to typical utility and/or drainage easements which cause no adverse impact on subject marketability.</b>								

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input type="checkbox"/> Crawl Space	Foundation Walls <b>Poured Concrete/A</b>	Floors <b>Hwd/Tile/Crp/Avg</b>
# of Stories <b>2</b>	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls <b>Brick/Avg</b>	Walls <b>Drywall/Avg</b>
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area <b>2586 sq. ft.</b>	Roof Surface <b>Asphalt Shingle/Avg</b>	Trim/Finish <b>Wood/Paint/Avg</b>
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish <b>100 %</b>	Gutters & Downspouts <b>Aluminum/Avg</b>	Bath Floor <b>Ceramic/Avg</b>
Design (Style) <b>Colonial</b>	<input checked="" type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type <b>Wood D/H/Avg</b>	Bath Wainscot <b>Ceramic/Avg</b>
Year Built <b>1996</b>	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated <b>Dbl.Pn/Yes/Avg</b>	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) <b>15</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement	Screens <b>Yes/Avg</b>	<input checked="" type="checkbox"/> Driveway # of Cars <b>4</b>
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> Wood Stove(s) #0	Driveway Surface <b>Macadam/Gd</b>
<input type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel <b>Gas/Gd</b>	<input checked="" type="checkbox"/> Fireplace(s) # <b>1</b> <input checked="" type="checkbox"/> Fence <b>Metal</b>	<input checked="" type="checkbox"/> Garage # of Cars <b>3</b>
<input type="checkbox"/> Floor <input checked="" type="checkbox"/> Scuttle	Cooling <input checked="" type="checkbox"/> Central Air Conditioning	<input checked="" type="checkbox"/> Patio/Deck <b>Pt/Dk</b> <input checked="" type="checkbox"/> Porch <b>CovFront</b>	<input type="checkbox"/> Carport # of Cars <b>0</b>
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other	<input checked="" type="checkbox"/> Pool <b>InGround</b> <input type="checkbox"/> Other <b>None</b>	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Appliances <input checked="" type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven <input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave <input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe) <b>N/A</b>			
Finished area above grade contains: <b>9 Rooms 4 Bedrooms 3.1 Bath(s) 4,974 Square Feet of Gross Living Area Above Grade</b>			
Additional features (special energy efficient items, etc.) <b>None noted.</b>			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). <b>C4;No updates in the prior 15 years;A physical inspection of the property revealed no functional or physical inadequacies. The floor plan is typical for this style property and the price range is acceptable to the marketplace. The subject property is of average/good construction quality and no functional or external obsolescence is noted. The improvements have been well maintained and are in fair/average overall condition. Due to the condition of the pool, no value consideration was given</b>			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. <b>An exterior and interior inspection of the property revealed no adverse conditions that would affect the livability, soundness, or structural integrity of the subject property. The appraiser is not a licensed home inspector or structural engineer and would not be qualified to determine such.</b>			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. <b>The subject property generally conforms to the neighborhood in functional utility, style, condition, and construction for a single family dwelling in this marketplace.</b>			



# Uniform Residential Appraisal Report

File No. 1905143

There are <b>1</b> comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ <b>775,000</b> to \$ <b>775,000</b>							
There are <b>4</b> comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ <b>433,500</b> to \$ <b>630,000</b>							
FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
3018 Susanne Court Address Owings Mills, MD 21117-1646		7 Foxcreek Court Owings Mills, MD 21117		2 Hawick Court Owings Mills, MD 21117		12219 Garrison Forest Road Owings Mills, MD 21117	
Proximity to Subject		0.52 miles NW		0.91 miles NW		0.99 miles NW	
Sale Price	\$	\$ 565,000		\$ 433,500		\$ 630,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 142.68 sq. ft.		\$ 101.31 sq. ft.		\$ 146.24 sq. ft.	
Data Source(s)		Bright#1002258950;DOM 218		Bright#MDBC330720;DOM 23		Bright#1007547152;DOM 137	
Verification Source(s)		SDAT(PublicRecords)		SDAT(PublicRecords)		SDAT(PublicRecords)	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth Conv;15000	0	REO Conv;0		ArmLth Conv;7700	0
Date of Sale/Time		s04/19;c03/19		s03/19;c01/19		s02/19;c01/19	
Location	N;Res;	N;Res;		N;Res;		N;Res;	
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	1.28 ac	3.63 ac	-23,500	1.00 ac	0	1.51 ac	0
View	N;Res;	N;Res;		N;Res;		N;Res;	
Design (Style)	DT2;Colonial	DT2;Colonial		DT2;Colonial		DT2;Colonial	
Quality of Construction	Q4	Q4		Q4		Q4	
Actual Age	23	18	-12,500	31	20,000	13	-25,000
Condition	C4	C3	-56,500	C4		C3	-63,000
Above Grade Room Count	Total Bdrms Baths 9 4 3.1	Total Bdrms Baths 8 4 2.1	10,000	Total Bdrms Baths 9 4 3.1		Total Bdrms Baths 9 4 3.1	
Gross Living Area	25 4,974 sq. ft.	3,960 sq. ft.	25,350	4,279 sq. ft.	17,375	4,308 sq. ft.	16,650
Basement & Finished Rooms Below Grade	2586sf2586sfwo 1rr1br1.0ba2o	1724sf1500sfwo 1rr1br1.0ba1o	0 5,000	2443sf1750sfwu 1rr1br1.0ba2o	0	2258sf0sfwo	0 30,000
Functional Utility	Good-4Bedroom	Good-4Bedroom		Good-4Bedroom		Good-4Bedroom	
Heating/Cooling	GFWA/CAC	GFWA/CAC		HtPmp/CAC	0	GFWA/CAC	
Energy Efficient Items	Dbl.Panes	Dbl.Panes		Dbl.Panes		Dbl.Panes	
Garage/Carport	3ga4dw	3ga4dw		2ga4dw	10,000	3ga4dw	
Porch/Patio/Deck	Prch,Patio,Deck	Prch,Patio,Deck		Prch,Patio,Deck		Prch,Pat,2Deck	-5,000
Other	StdKth&StdBth	StdKth&StdBth		StdKth&StdBth		ModKth&ModBth	-35,000
Fence,Pool,Shed	Fence,Pool	None	0	Fence,Pool		None	0
Fireplace	(1)Fireplace	(1)Fireplace		(1)Fireplace		(1)Fireplace	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 52,150	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 47,375	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 81,350
Adjusted Sale Price of Comparables		Net Adj. -9.2% Gross Adj. 23.5%	\$ 512,850	Net Adj. 10.9% Gross Adj. 10.9%	\$ 480,875	Net Adj. -12.9% Gross Adj. 27.7%	\$ 548,650
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain <b>Public Records (SDAT), MLS (BRIGHT).</b>							
My research <input checked="" type="checkbox"/> did <input type="checkbox"/> did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal. Data source(s) <b>Public Records (SDAT), MLS (BRIGHT).</b>							
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale. Data source(s) <b>Public Records (SDAT), MLS (BRIGHT).</b>							
Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).							
ITEM	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3			
Date of Prior Sale/Transfer	05/09/2017	05/08/2000	09/17/2012	05/31/2006			
Price of Prior Sale/Transfer	\$550,000	\$140,000	\$700,000	\$949,950			
Data Source(s)	SDAT, MRIS	SDAT, BRIGHT	SDAT, BRIGHT	SDAT, BRIGHT			
Effective Date of Data Source(s)	05/31/2019	05/31/2019	05/31/2019	05/31/2019			
Analysis of prior sale or transfer history of the subject property and comparable sales <b>I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.</b>							
Summary of Sales Comparison Approach. <b>See Attached Addendum</b>							
Indicated Value by Sales Comparison Approach \$ <b>500,000</b>							
Indicated Value by: Sales Comparison Approach \$500,000 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$ 0							
<b>See Attached Addendum</b>							
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: <b>No warranty of the appraised property is given or implied. No liability is assumed for structural or mechanical elements. No personal property was considered in the valuation.</b>							
Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ <b>500,000</b> as of <b>05/29/2019</b> , which is the date of inspection and the effective date of this appraisal.							

SALES COMPARISON APPROACH

RECONCILIATION

# Uniform Residential Appraisal Report

File No. 1905143

ADDITIONAL COMMENTS

COST APPROACH

INCOME

PUD INFORMATION

**COST APPROACH TO VALUE (not required by Fannie Mae)**

Provide adequate information for the lender/client to replicate the below cost figures and calculations.

Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) \_\_\_\_\_

ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE ..... = \$		
Source of cost data	Dwelling	Sq. Ft. @ \$	..... = \$
Quality rating from cost service	Effective date of cost data	Sq. Ft. @ \$	..... = \$
Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
	Garage/Carport	Sq. Ft. @ \$	..... = \$ 0
	Total Estimate of Cost-New ..... = \$ 0		
	Less 70 Physical	Functional	External
	Depreciation ..... = \$ ( 0)		
	Depreciated Cost of Improvements ..... = \$ 0		
	"As-is" Value of Site Improvements ..... = \$		
Estimated Remaining Economic Life (HUD and VA only)	55 Years	INDICATED VALUE BY COST APPROACH ..... = \$	

**INCOME APPROACH TO VALUE (not required by Fannie Mae)**

Estimated Monthly Market Rent \$ \_\_\_\_\_ X Gross Rent Multiplier \_\_\_\_\_ = \$ \_\_\_\_\_ Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) **Lack of current GRM & rental information due to the paucity of rentals in this marketplace deems this approach to value as ineffective. A majority of sales in this single-family marketplace are for owner occupancy.**

**PROJECT INFORMATION FOR PUDs (if applicable)**

Is the developer/builder in control of the Homeowners' Association (HOA)?  Yes  No Unit type(s)  Detached  Attached

Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.

Legal name of project \_\_\_\_\_

Total number of phases \_\_\_\_\_ Total number of units \_\_\_\_\_ Total number of units sold \_\_\_\_\_

Total number of units rented \_\_\_\_\_ Total number of units for sale \_\_\_\_\_ Data source(s) \_\_\_\_\_

Was the project created by the conversion of an existing building(s) into a PUD?  Yes  No If Yes, date of conversion. \_\_\_\_\_

Does the project contain any multi-dwelling units?  Yes  No Data source(s) \_\_\_\_\_

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion. \_\_\_\_\_

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options. \_\_\_\_\_

Describe common elements and recreational facilities. \_\_\_\_\_

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This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

**SCOPE OF WORK:** The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

**INTENDED USE:** The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

**INTENDED USER:** The intended user of this appraisal report is the lender/client.

**DEFINITION OF MARKET VALUE:** 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, 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 each acting in what he or she considers his or her own best interest; (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.

\*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS:** The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

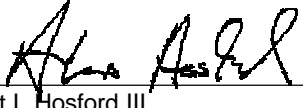
24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

**SUPERVISORY APPRAISER'S CERTIFICATION:** The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

**APPRAISER**

Signature   
 Name Herbert L. Hosford III  
 Company Name Four Corners Appraisal  
 Company Address P. O. Box 133  
Phoenix, MD 21131  
 Telephone Number 410-952-1391  
 Email Address larshosford@verizon.net  
 Date of Signature and Report 05/31/2019  
 Effective Date of Appraisal 05/29/2019  
 State Certification # 30013038  
 or State License # \_\_\_\_\_  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State MD  
 Expiration Date of Certification or License 08/19/2019

ADDRESS OF PROPERTY APPRAISED  
3018 Susanne Court  
Owings Mills, MD 21117-1646

APPRAISED VALUE OF SUBJECT PROPERTY \$ 500,000

LENDER/CLIENT  
 Name Attn: Gregory S. Milligan, CTP  
 Company Name Harney Partners  
 Company Address 401 Congress Ave, Suite 1540  
Austin, TX 78701  
 Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature \_\_\_\_\_  
 State Certification # \_\_\_\_\_  
 or State License # \_\_\_\_\_  
 State \_\_\_\_\_  
 Expiration Date of Certification or License \_\_\_\_\_

SUBJECT PROPERTY  
 Did not inspect subject property  
 Did inspect exterior of subject property from street  
 Date of Inspection \_\_\_\_\_  
 Did inspect interior and exterior of subject property  
 Date of Inspection \_\_\_\_\_

COMPARABLE SALES  
 Did not inspect exterior of comparable sales from street  
 Did inspect exterior of comparable sales from street  
 Date of Inspection \_\_\_\_\_

# Uniform Residential Appraisal Report

File No. 1905143

FEATURE	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
3018 Susanne Court		9 Hawick Court			5 Carolyn Court					
Address	Owings Mills, MD 21117-1646	Owings Mills, MD 21117			Owings Mills, MD 21117					
Proximity to Subject		0.84 miles NW			0.14 miles SW					
Sale Price	\$	\$ 625,000			\$ 775,000			\$		
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 136.52 sq. ft.			\$ 188.75 sq. ft.			\$ sq. ft.		
Data Source(s)		Bright#MDBC100544;DOM 6			Bright#MDBC452478;DOM 30					
Verification Source(s)		SDAT(PublicRecords)			SDAT(PublicRecords)					
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION		+( ) \$ Adjustment	DESCRIPTION		+( ) \$ Adjustment	DESCRIPTION		+( ) \$ Adjustment
Sale or Financing Concessions		ArmLth FHA;28481		0	Listing ;0		-77,500			
Date of Sale/Time		s01/19;c11/18			Active					
Location	N;Res;	N;Res;			N;Res;					
Leasehold/Fee Simple	Fee Simple	Fee Simple			Fee Simple					
Site	1.28 ac	1.09 ac		0	1.37 ac		0			
View	N;Res;	N;Res;			N;Res;					
Design (Style)	DT2;Colonial	DT2;Colonial			DT2;Colonial					
Quality of Construction	Q4	Q4			Q4					
Actual Age	23	27		10,000	23					
Condition	C4	C3		-62,500	C3		-77,500			
Above Grade Room Count	Total Bdrms Baths 9 4 3.1	Total Bdrms Baths 9 5 3.2		-5,000	Total Bdrms Baths 10 5 5.2		-25,000	Total Bdrms Baths		
Gross Living Area	25 4,974 sq. ft.	4,578 sq. ft.		9,900	4,106 sq. ft.		21,700	sq. ft.		
Basement & Finished Rooms Below Grade	2586sf2586sfwo 1rr1br1.0ba2o	2383sf0sfwo		0	2270sf1500sfwo 1rr1br1.0ba2o		0			
Functional Utility	Good-4Bedroom	Good-5Bedroom		0	Good-4Bedroom					
Heating/Cooling	GFWA/CAC	HtPmp/CAC		0	GFWA/CAC					
Energy Efficient Items	Dbl.Panes	Dbl.Panes			Dbl.Panes					
Garage/Carport	3ga4dw	2ga2dw		10,000	3ga4dw					
Porch/Patio/Deck	Prch,Patio,Deck	Deck		10,000	Prch,2Decks		0			
Other	StdKth&StdBth	ModKth&ModBth		-35,000	ModKth&ModBth		-35,000			
Fence,Pool,Shed	Fence,Pool	None		0	None		0			
Fireplace	(1)Fireplace	(1)Fireplace			(1)Fireplace					
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 32,600	<input type="checkbox"/> + <input checked="" type="checkbox"/> -		\$ 193,300	<input type="checkbox"/> + <input type="checkbox"/> -		\$
Adjusted Sale Price of Comparables		Net Adj. -5.2%		\$ 592,400	Net Adj. -24.9%		\$ 581,700	Net Adj. %		\$
		Gross Adj. 27.6%			Gross Adj. 30.5%			Gross Adj. %		\$
ITEM	SUBJECT	COMPARABLE SALE NO. 4			COMPARABLE SALE NO. 5			COMPARABLE SALE NO. 6		
Date of Prior Sale/Transfer	05/09/2017	08/29/1991			12/11/2002					
Price of Prior Sale/Transfer	\$550,000	\$103,000			\$738,000					
Data Source(s)	SDAT, MRIS	SDAT, BRIGHT			SDAT, BRIGHT					
Effective Date of Data Source(s)	05/31/2019	05/31/2019			05/31/2019					
Summary of Sales Comparison Approach A 90% sale to list price adjustment was made for comp. #5 being currently listed for sale. Gross, net and single line adjustments that exceed 25%, 15% and 10% respectively are due primarily to large adjustments for condition and list to sales price. While these parameters and size differential adjustments exceed Fannie Mae guidelines, these comparables chosen are still considered the best available indicators of market value for the subject. Other sales analyzed would have required less desirable adjustments and were not used for that reason.										

SALES COMPARISON APPROACH

## Uniform Appraisal Dataset Definitions

File No. 1905143

### Condition Ratings and Definitions

**C1** The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.\*

*\*Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

**C2** The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

*\*Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

**C3** The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

*\*Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

**C4** The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

*\*Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.*

**C5** The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

*\*Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

**C6** The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

*\*Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

### Quality Ratings and Definitions

**Q1** Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

**Q2** Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

**Q3** Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

**Q4** Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

**Q5** Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

**Q6** Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

### Definitions of Not Updated, Updated, and Remodeled

#### Not Updated

**Little or no updating or modernization. This description includes, but is not limited to, new homes.**

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

#### Updated

**The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.**

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

#### Remodeled

**Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.**

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

### Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.





Borrower: N/A

File No.: 1995143

Property Address: 3018 Susanne Court

Case No.:

City: Owings Mills

State: MD

Zip: 21117-1646

Lender: Harney Partners

**Comments on Sales Comparison**

The comps. are similar in age, size, location, construction quality, utility, style, and marketability. \$30/Sq.Ft. was used for size adjustments. \$10,000/Acre was used for lot size adjustment. \$2,500/Year was used for age adjustments.

Adjustments are made/based on your appraiser's experience and familiarity with the neighborhood and reflect typical buyer actions within the subject's market area. Most and equal emphasis was given to comps. #1 and #2. Least and equal emphasis was given to comps. #3 and #4. Comp. #5 (active) lends additional support. . No particular methodology (averaging, mean, median, mode, and/or particular emphasis) was used to reach the opinion of value.

Gross, net and single line adjustments that exceed 25%, 15% and 10% respectively are due primarily to large adjustments for condition and list to sales price. While these parameters and size differential adjustments exceed Fannie Mae guidelines, these comparables chosen are still considered the best available indicators of market value for the subject. Other sales analyzed would have required less desirable adjustments and were not used for that reason.

Basement adjustments are as follows: \$10,000/rec room, \$5,000 for bedrooms, full bathrooms and other, and \$2,500 for half bathrooms. An adjustment of \$20,000 was made for differences in kitchen upgrades and a \$15,000 for differences in bathroom upgrades. Individual adjustments have been made for differences in kitchen and bathrooms. The condition adjustment accounts for the subject's overall condition. The adjustment for kitchen and bathrooms specifically highlights those upgrades and the condition for those specific features.

**Highest and Best Use Addendum:**

As noted above, based on your appraiser's analysis, the subject's highest and best use is residential. The subject is currently residential, the neighborhood is residential and the zoning permits residential.

**Final Reconciliation**

Emphasis on sales comparison analysis as it reflects value to a typical buyer. Cost and Income approach are not applicable. Appraisal report is intended for use by the Harney Partners for an estimate of market value only. I do not make any warranties or guarantees of any kind regarding the condition of the property, sufficiency of title, areas and boundaries, mechanical and structural conditions of the improvements and with the agreement that the appraisal represents the appraiser's opinion of value only, without any warranty that the property will actually sell for the appraised value.

USPAP ADDENDUM

File No. 1905143

Borrower: N/A  
 Property Address: 3018 Susanne Court  
 City: Owings Mills County: Baltimore State: MD Zip Code: 21117-1646  
 Lender: Harney Partners

**APPRAISAL AND REPORT IDENTIFICATION**

This report was prepared under the following USPAP reporting option:

**Appraisal Report** A written report prepared under Standards Rule 2-2(a).  
 **Restricted Appraisal Report** A written report prepared under Standards Rule 2-2(b).

**Reasonable Exposure Time**  
 My opinion of a reasonable exposure time for the subject property at the market value stated in this report is: 0-6 months

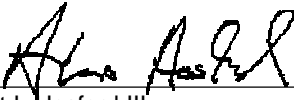
Exposure Time is the estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. Exposure time is a retrospective opinion based on an analysis of past events assuming a competitive and open market. Marketing Time is an opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. In other words, exposure time occurs before the effective date of the appraisal, whereas marketing time occurs after the effective date. Generally, in a stable and balanced market, the results of both marketing and exposure time will reflect similar ranges. Based on statistical analysis and the examination of relevant sales history of comparable properties, the reasonable exposure time for the subject property type is 0-6 months.

**Additional Certifications**

I have performed **NO** services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

I **HAVE** performed services, as an appraiser or in another capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment. Those services are described in the comments below.

**Additional Comments**

<p><b>APPRAISER:</b></p> <p>Signature: <u></u>                  Name: <u>Herbert L. Hosford III</u>                  Date Signed: <u>05/31/2019</u>                  State Certification #: <u>30013038</u>                  or State License #: _____                  or Other (describe): _____ State #: _____                  State: <u>MD</u>                  Expiration Date of Certification or License: <u>08/19/2019</u>                  Effective Date of Appraisal: <u>May 29, 2019</u></p>	<p><b>SUPERVISORY APPRAISER (only if required):</b></p> <p>Signature: _____                  Name: _____                  Date Signed: _____                  State Certification #: _____                  or State License #: _____                  State: _____                  Expiration Date of Certification or License: _____                  Supervisory Appraiser inspection of Subject Property:  <input type="checkbox"/> Did Not    <input type="checkbox"/> Exterior-only from street    <input type="checkbox"/> Interior and Exterior</p>
--	--

Borrower: N/A

Property Address: 3018 Susanne Court

City: Owings Mills

Lender: Harney Partners

File No.: 1905143

Case No.:

State: MD

Zip: 21117-1646



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: May 29, 2019  
Appraised Value: \$ 500,000



**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**



Kitchen - Photo #1



Kitchen - Photo #2



Den/Study



Family Room - Photo #1



Family Room - Photo #2



Sun Room #1



Sun Room #2



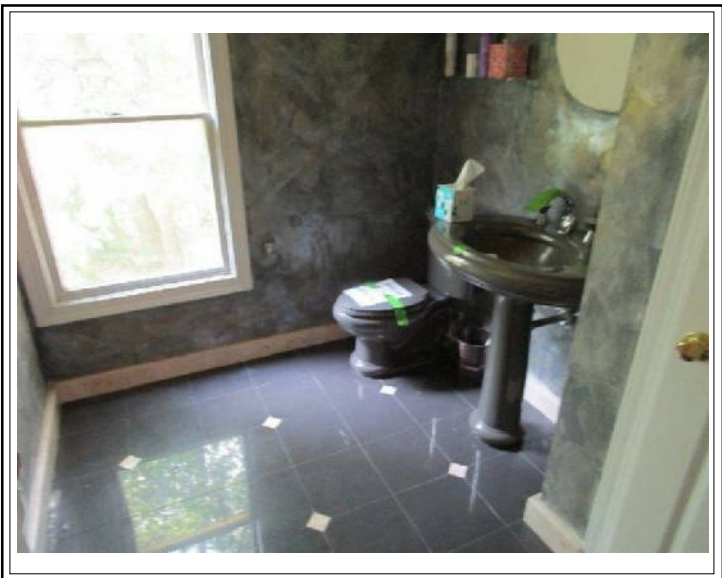
Living Room



3/Car Attached Garage



Dining Room



Half Bathroom



Laundry Area



Bedroom #1



Bedroom #2



Bedroom #3



Bedroom #4



Full Bathroom #1



Full Bathroom #2



Full Bathroom #3-Photo #1



Full Bathroom #3-Photo #2



Full Bathroom #4



Basement - Exercise Room



Basement - Family/Rec Room - Photo #1



Basement - Family/Rec Room - Photo #2



Basement - Den



Basement - Full Bathroom - Photo #1



Basement - Full Bathroom - Photo #2



Basement - Bedroom



Basement - Electric Panel



Basement - HVAC





Basement - Well Equipment



Basement - Storage/Laundry



Basement - HVAC / HWH



CAC Condensers



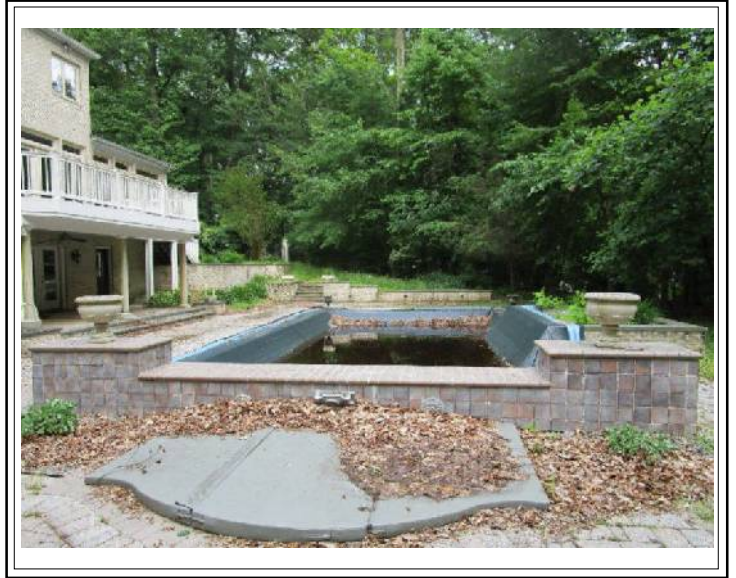
Additional Front Photo #1



Additional Front Photo #2



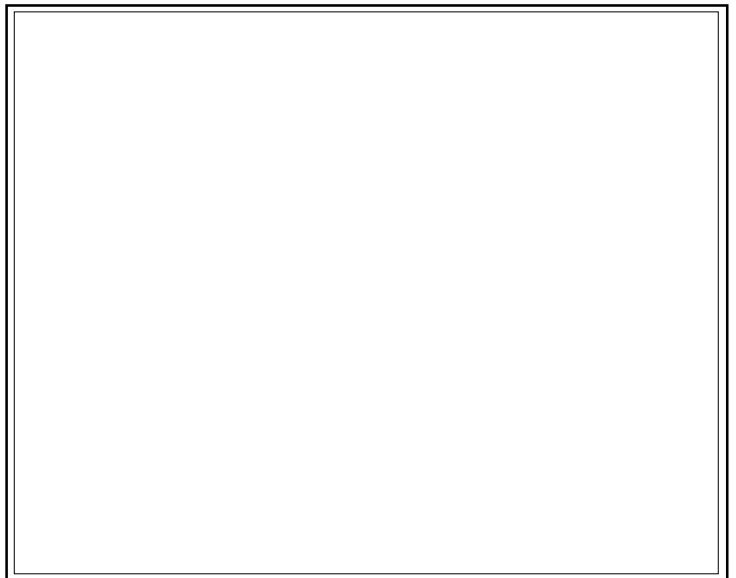
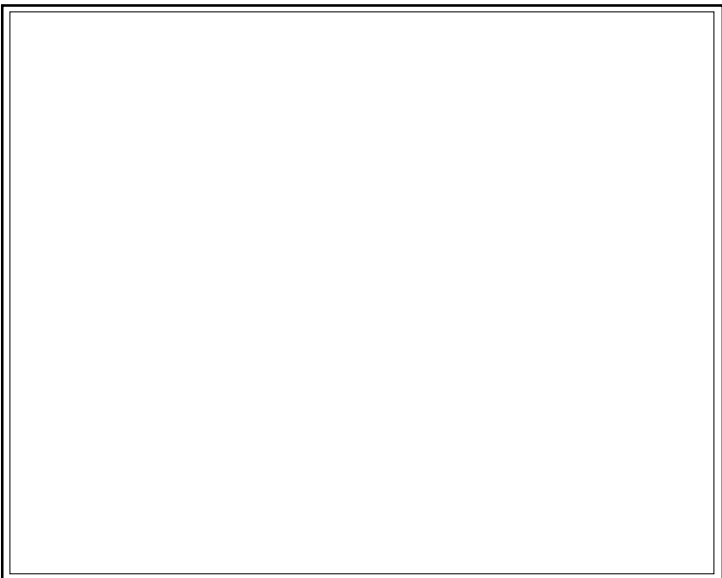
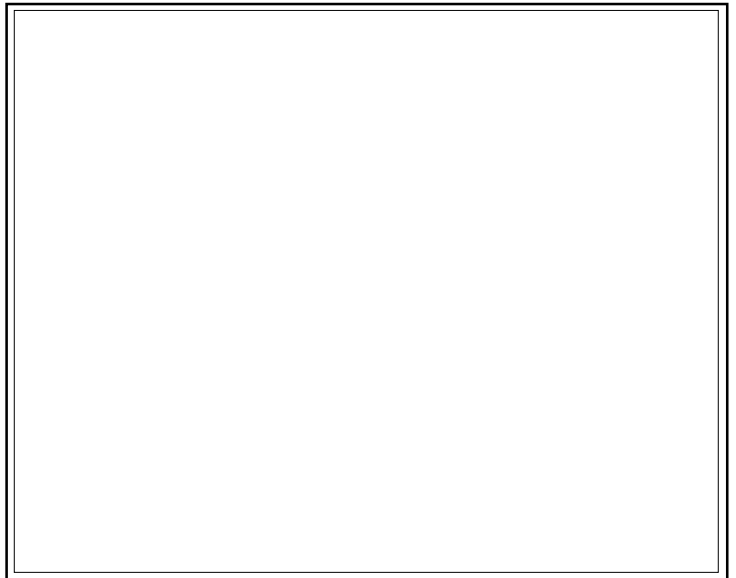
In-Ground Pool - Photo #1



In-Ground Pool - Photo #2



Additional Street View



Borrower: N/A

Property Address: 3018 Susanne Court

Case No.:

City: Owings Mills

State: MD

Zip: 21117-1646

Lender: Harney Partners



**COMPARABLE SALE #1**

7 Foxcreek Court  
Owings Mills, MD 21117  
Sale Date: s04/19;c03/19  
Sale Price: \$ 565,000



**COMPARABLE SALE #2**

2 Hawick Court  
Owings Mills, MD 21117  
Sale Date: s03/19;c01/19  
Sale Price: \$ 433,500



**COMPARABLE SALE #3**

12219 Garrison Forest Road  
Owings Mills, MD 21117  
Sale Date: s02/19;c01/19  
Sale Price: \$ 630,000

Borrower: N/A

Property Address: 3018 Susanne Court

City: Owings Mills

Lender: Harney Partners

Case No.:

State: MD

Zip: 21117-1646



**COMPARABLE SALE #4**

9 Hawick Court  
Owings Mills, MD 21117  
Sale Date: s01/19;c11/18  
Sale Price: \$ 625,000



**COMPARABLE SALE #5**

5 Carolyn Court  
Owings Mills, MD 21117  
Sale Date: Active  
Sale Price: \$ 775,000

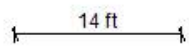
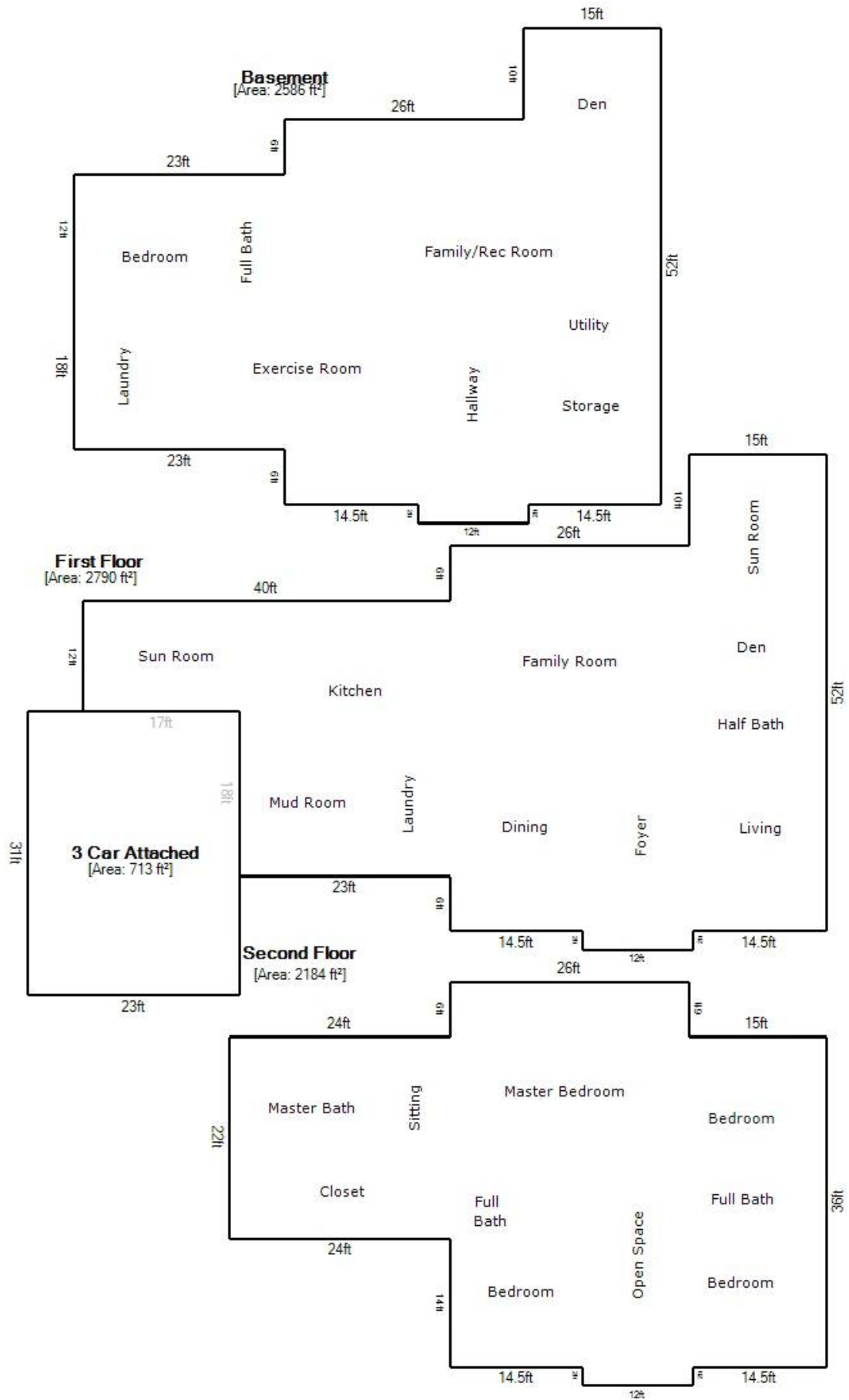


**COMPARABLE SALE #6**

Sale Date:  
Sale Price: \$

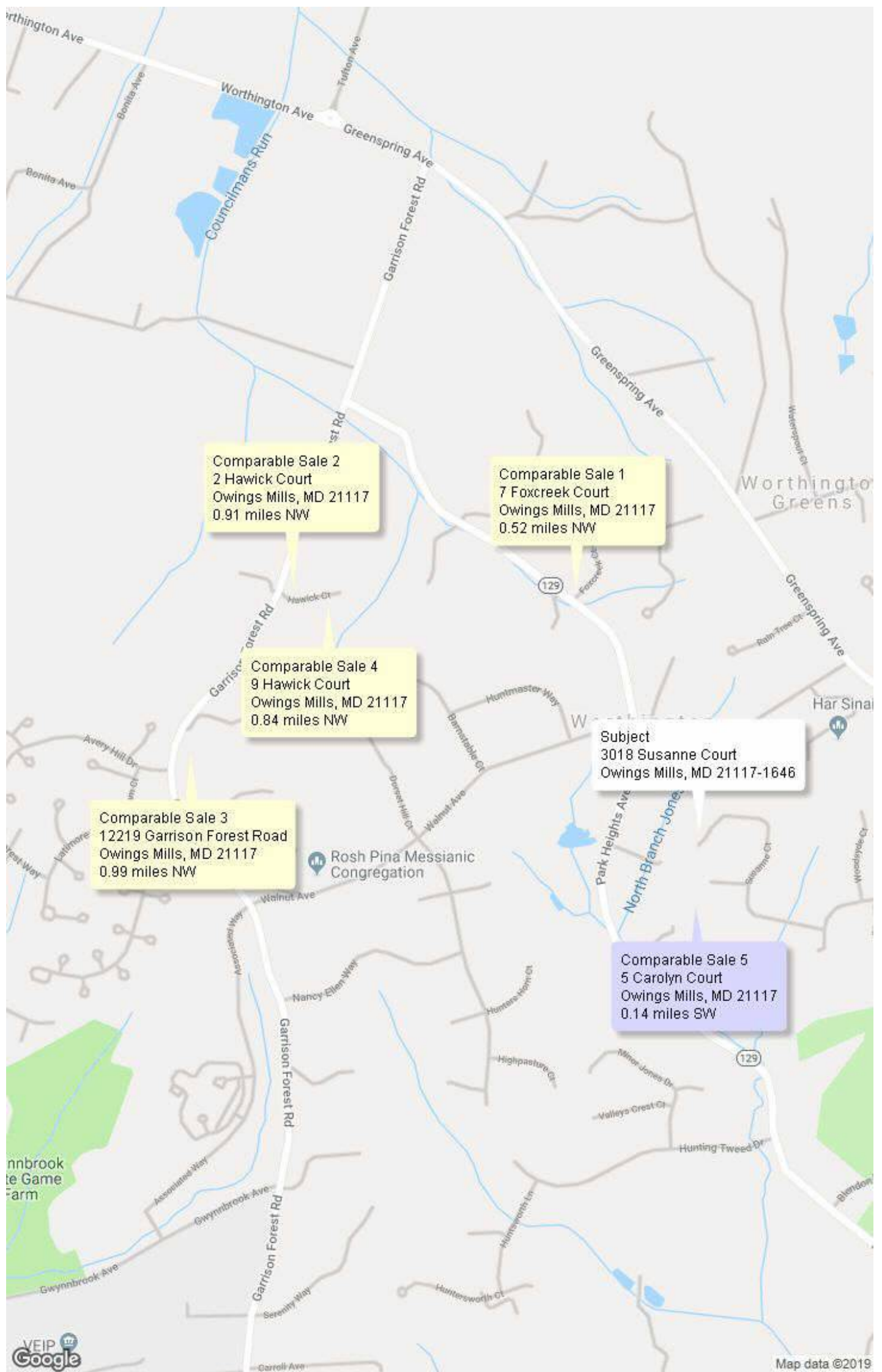
Borrower: N/A	File No.: 1905143
Property Address: 3018 Susanne Court	Case No.:
City: Owings Mills	State: MD Zip: 21117-1646
Lender: Harney Partners	

**Sketch**

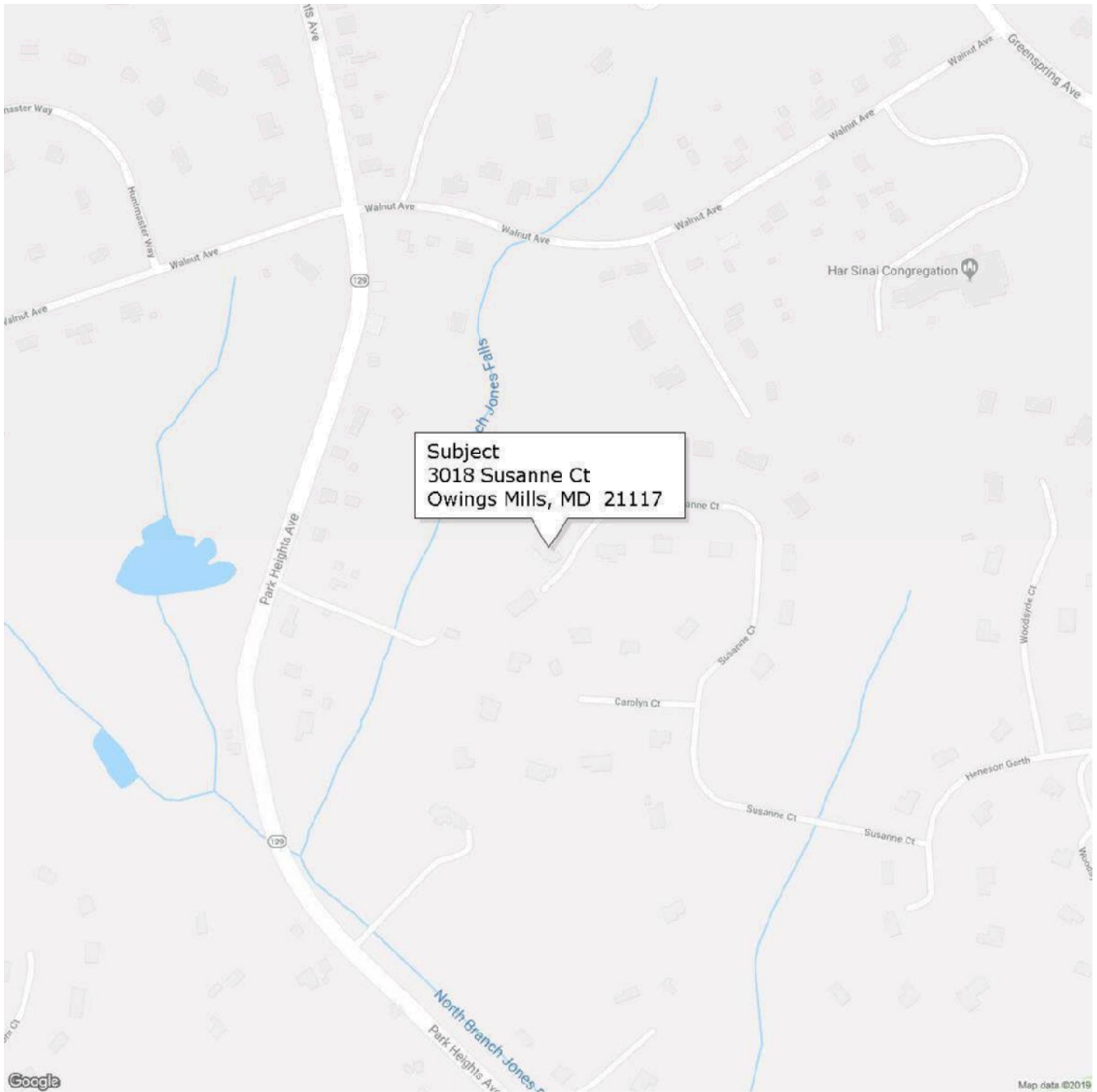


Living Area	Nonliving Area	
First Floor	2790 ft² Basement	2586 ft²
Second Floor	2184 ft² 3 Car Attached	713 ft²
<b>Total Living Area (rounded):</b>	<b>4974 ft² Total Non-Living Area (rounded):</b>	<b>3299 ft²</b>

Borrower: N/A	File No.: 1905143	
Property Address: 3018 Susanne Court	Case No.:	
City: Owings Mills	State: MD	Zip: 21117-1646
Lender: Harney Partners		



Borrower: N/A	File No.: 1905143
Property Address: 3018 Susanne Court	Case No.:
City: Owings Mills	State: MD Zip: 21117-1646
Lender: Harney Partners	



**FLOOD INFORMATION**

Community: Baltimore County Unincorporated Areas  
 Property is **NOT** in a FEMA Special Flood Hazard Area  
 Map Number: 2400100210F  
 Panel: 0210F  
 Zone: X  
 Map Date: 09-26-2008  
 FIPS: 24005  
 Source: FEMA DFIRM

**LEGEND**

-  = FEMA Special Flood Hazard Area – High Risk
-  = Moderate and Minimal Risk Areas
- Road View:
  -  = Forest
  -  = Water

**Sky Flood™**

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

Borrower: N/A

File No.: 1905143

Property Address: 3018 Susanne Court

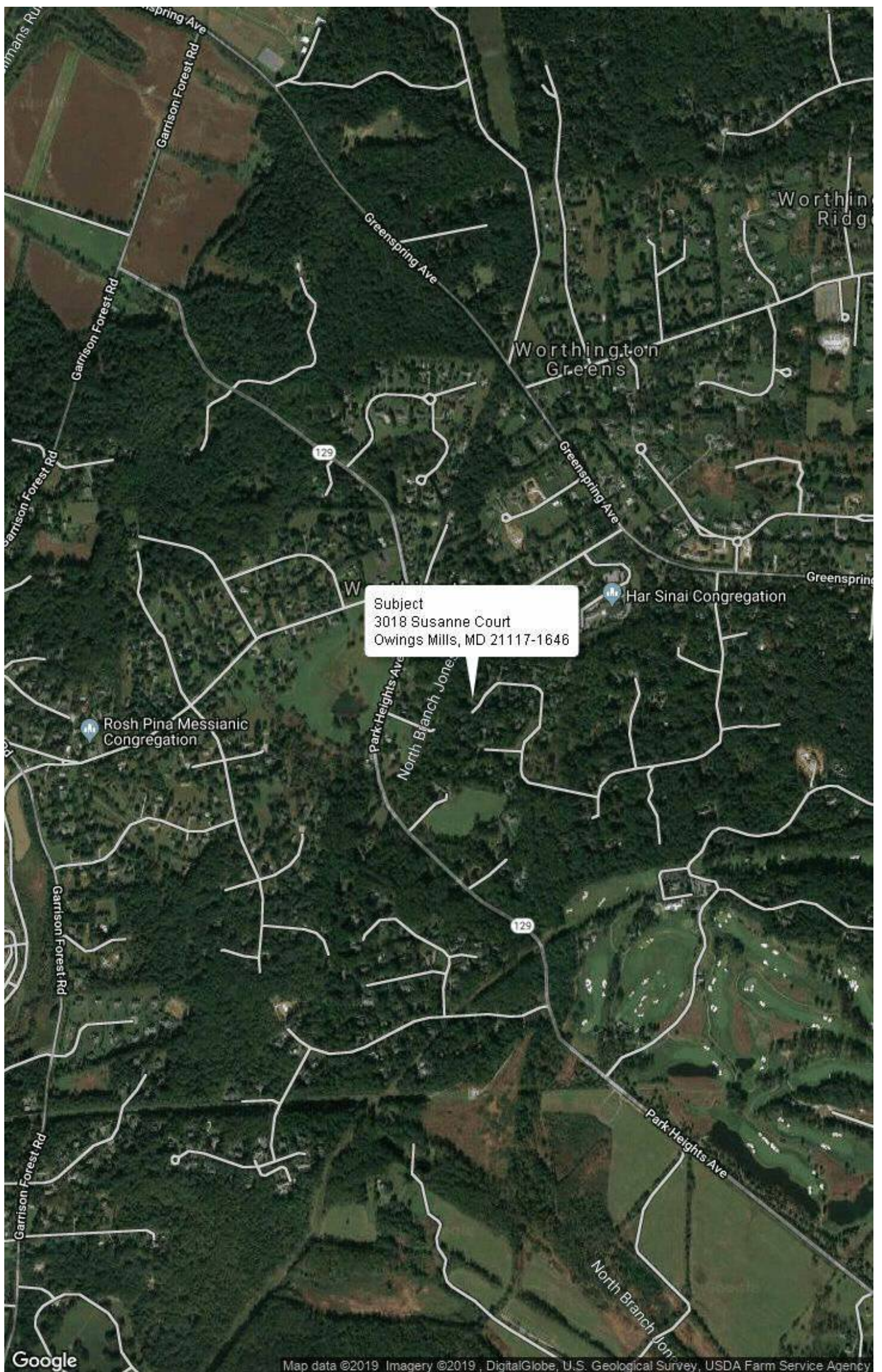
Case No.:

City: Owings Mills

State: MD

Zip: 21117-1646

Lender: Harney Partners



Google

Map data ©2019 Imagery ©2019, DigitalGlobe, U.S. Geological Survey, USDA Farm Service Agency



Borrower: N/A	File No.: 1905143
Property Address: 3018 Susanne Court	Case No.:
City: Owings Mills	State: MD
Lender: Harney Partners	Zip: 21117-1646

THIS DOCUMENT IS VOID WITHOUT BLUE BACKGROUND. CONTAINS COPY VOID FEATURE & ARTIFICIAL WATERMARK ON THE BACK.



STATE OF MARYLAND  
**DLLR**  
DEPARTMENT OF LABOR, LICENSING AND REGULATION

LICENSE \* REGISTRATION \* CERTIFICATION \* PERMIT

Lawrence J. Hogan, Jr.  
Governor  
Boyd K. Rutherford  
Lt. Governor  
Kelly M. Schulz  
Secretary

STATE OF MARYLAND  
DEPARTMENT OF LABOR, LICENSING AND REGULATION

COMMISSION OF RE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT:

HERBERT L HOSFORD III

IS AN AUTHORIZED: **03 - CERTIFIED RESIDENTIAL**

LIC/REG/CERT  
13038

EXPIRATION  
08-19-2019

EFFECTIVE  
08-14-2016

CONTROL NO.  
4890409

*Herbert L. Hosford III*  
Signature of Bearer

*Kelly M. Schulz*  
Secretary DLLR

WHERE REQUIRED BY LAW THIS MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

# **EXHIBIT 5**

American Land Title Association

ALTA Settlement Statement - Combined  
Adopted 05-01-2015

**File No./Escrow No.:** EMERALD BAY ESCROW SERVICES, LLC  
19-7107  
**Print Date & Time:** 4 PARK CENTER COURT, SUITE 200A  
07/29/2019 04:27 PM OWINGS MILLS, MD 21117  
**Officer/Escrow Officer:**  
  
**Settlement Location:**  
4 PARK CENTER COURT, SUITE 200A, OWINGS MILLS, MD 21117

**Property Address:** 3018 Susanne Court, Owings Mills, MD 21117  
**Buyer:** Konstantin Chudnovsky, Marina Chudnovsky  
**Seller:** Gregory S. Milligan, Receiver  
**Lender:** Community Mortgage Group, Inc.  
  
**Settlement Date:** 9/27/2019  
**Disbursement Date:** 9/27/2019  
**Additional dates per state requirements:**

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
		<b>Financial</b>		
	\$552,000.00	Sales Price of Property	\$552,000.00	
		Deposit		\$5,000.00
		Loan Amount		\$441,600.00
		<b>Prorations/Adjustments</b>		
		County Taxes from 9/27/2019 to 12/31/2019	\$2,163.74	
	\$2,163.74	County Taxes from 9/27/2019 to 12/31/2019		
		<b>Other Loan Charges</b>		
		CPL Fee to Old Republic National Title Insurance Co.	\$30.00	
\$250.00		Document Prep/ Funding/ Wire Fees to EMERALD BAY ESCROW SERVICES, LLC		
		<b>Title Charges &amp; Escrow / Settlement Charges</b>		
		Lender's Policy with EMERALD BAY ESCROW SERVICES, LLC	\$1,356.80	
		Settlement Fee with EMERALD BAY ESCROW SERVICES, LLC	\$695.00	
		Owner's Policy with EMERALD BAY ESCROW SERVICES, LLC	\$1,225.20	
		<b>Commission</b>		
\$16,560.00		Real Estate Commission Buyers Broker to Allfirst Realty		
\$16,560.00		Real Estate Commission Sellers Broker to Monument Sotheby's International Realty		
		<b>Government Recording and Transfer Charges</b>		

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
\$4,140.00		County Transfer Tax to Baltimore County, Maryland	\$3,810.00	
\$1,380.00		State Transfer Tax to Clerk of the Circuit Court	\$1,380.00	
		Recording Fees (Mortgage) to Clerk of the Circuit Court	\$60.00	
\$1,380.00		State Recordation Tax to Baltimore County, Maryland	\$1,380.00	
		<b>Miscellaneous</b>		
		Hand Recording to M.R. Closing and Recording Services, LLC	\$50.00	
		Lien Cert to Baltimore County	\$55.00	
		Admin Fee to Allfirst Realty	\$295.00	
\$495.00		Admin Fee to Monument Sotheby's International Realty		
\$4,147.17		1st Half Property Taxes to Baltimore County		

Seller		Description	Borrower/Buyer	
Debit	Credit		Debit	Credit
\$44,912.17	\$554,163.74	<b>Subtotals</b>	\$564,500.74	\$446,600.00
		Due From Borrower		\$117,900.74
\$509,251.57		Due To Seller		
<b>\$554,163.74</b>	<b>\$554,163.74</b>	<b>Totals</b>	<b>\$564,500.74</b>	<b>\$564,500.74</b>

**Acknowledgement**

We/I have carefully reviewed the ALTA Settlement Statement and find it to be a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction and further certify that I have received a copy of the ALTA Settlement Statement. We/I authorize to cause the funds to be disbursed in accordance with this statement.

\_\_\_\_\_  
Konstantin Chudnovsky

\_\_\_\_\_  
Marina Chudnovsky

Gregory S. Milligan, Receiver

By: \_\_\_\_\_

\_\_\_\_\_  
Escrow Officer

**IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF MARYLAND**

**SECURITIES AND EXCHANGE** )  
**COMMISSION,** )  
 )  
**Plaintiff,** )  
 )  
**v.** )  
 )  
**KEVIN B. MERRILL, et al.,** )  
 )  
**Defendants.** )

**Case No.: 1:18-cv-02844-RDB**

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**ORDER GRANTING RECEIVER GREGORY S. MILLIGAN’S  
MOTION FOR AUTHORIZATION OF SALE OF REAL PROPERTY LOCATED AT  
3018 SUSANNE COURT, OWINGS MILLS, MD 21117**

This matter is before the Court on the Motion for Authorization of Sale of Real Property Located at 3018 Susanne Court, Owings Mills, MD 21117 (the “Sale Motion”) (Dkt. No. 182), filed by Receiver Gregory S. Milligan (the “Receiver”), the Court-appointed Receiver in the above-captioned case. The Court, having considered the Sale Motion and evidence submitted in support thereof, responses or objections, if any, the arguments of counsel, and the pleadings on file, finds that the Sale Motion should be, and hereby is, GRANTED.

It is therefore ORDERED that:

1. The Sale Motion is GRANTED in its entirety.
2. The Receiver is authorized to sell the real property located at 3018 Susanne Court, Owings Mills, MD 21117 (the “Real Property”) to Konstantin and Marina Chudnovsky (the “Buyers”) for \$552,000.00 (the “Purchase Price”) pursuant to the Residential Contract of Sale (the “Contract”) attached to the Milligan Declaration as Exhibit 1.

3. The sale of the Real Property to the Buyers shall be free and clear of liens, claims, and encumbrances (with such liens, claims, and encumbrances, if any, to attach to the sales proceeds).

4. Sotheby's International Realty, Inc. ("Sotheby's") is authorized to receive a 6% commission of \$33,120.00 to be paid 50% to Sotheby's and 50% to the Buyers' broker, plus an administrative fee of \$495.00, out of the Purchase Price at closing without need of further application or Court approval.

5. The Receiver is authorized to pay all other customary closing costs out of the Purchase Price at closing.

6. The remaining net proceeds from the sale of the Real Property shall be held in an interest-bearing account maintained by the Receiver pending final resolution of this SEC Action<sup>1</sup> or further Order of this Court.

7. The Receiver shall not close on the sale of the Real Property prior to September 1, 2019, which is the 31st day following the Receiver's filing of the Sale Motion. In the event a timely objection to the Sale Motion is filed on or before August 31, 2019, the Receiver shall not close on the sale of the Real Property without further Order of this Court.

IT IS SO ORDERED, this \_\_\_\_ day of \_\_\_\_\_, 2019.

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HON. RICHARD D. BENNETT  
UNITED STATES DISTRICT JUDGE

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<sup>1</sup> The term "SEC Action" herein shall mean the civil action styled *Securities and Exchange Commission v. Kevin Merrill, et al.*, Case No. 18-cv-02844-RDB, in the United States District Court for the District of Maryland.