



ATTORNEYS

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March 23, 2011

Montgomery County Historic Preservation Commission  
c/o Scott Whipple  
8787 Georgia Avenue  
Silver Spring, Maryland 20910

Re: Documentation in Support of Economic Hardship  
3914 Baltimore Street, Kensington

Dear Commissioners:

The subject application is requesting permission to demolish the remnants of an existing house located at 3914 Baltimore Street, Kensington, Maryland that was subject to a devastating fire that took the lives of both of the property owners (Oskar C. Reynolds and Patricia M. Reynolds) on May 7, 2007 and substantially damaged the house located on the subject property.

The Historic Preservation staff of the Montgomery County Planning Board has provided the Applicant in the above-referenced matter with a list of the evidence to be submitted in support of Applicant's claim of "Economic Hardship". The Applicant's response to each of those items is as follows:

- 1. The original amount paid for the property, the date of purchase, and party from whom purchased, including a description of the relationship, if any, between the owner of record or applicant and the person from whom the property was purchased and any terms of financing between the seller and buyer.**

**(a) The stepped up basis of the property.**

RESPONSE:

Oskar C. Reynolds and Patricia M. Reynolds purchased the subject property from Elizabeth Stickley and Alger Y. Barbee by deed dated September 15, 1961, recorded September 26, 1961. See Exhibit "A". The Buyer and Seller had no relationship between them. There were no terms of financing between the Buyer and Seller. The Applicant before the Historic Preservation Commission is the Estate of Oskar C. Reynolds and the Estate of Patricia M. Reynolds (collectively the "Estates"). The stepped up basis of the property as of the time of death of Oskar C. Reynolds and



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Patricia M. Reynolds on May 7, 2007 was \$450,000 for Lot 28 and \$470,000 for Lots 29 and 30. These values were based upon the 3 Lots being permitted to be developed with 2 house (1 on Lot 28 and 1 on Lots 29 and 30).

**2. The remaining balance on any mortgage or other financing secured by the property and annual debt-service, if any, during the prior three years.**

RESPONSE:

There is no existing mortgage on the Subject Property.

**3. Real-estate taxes for the previous four years and assessed value of the property according to the two most recent assessed valuations.**

RESPONSE:

A. The real estate taxes paid on the Subject Property for the previous four (4) years are as follows:

- (a) 2010- \$10,483.83;
- (b) 2009- \$10,362.54;
- (c) 2008- \$ 7,887.21;
- (d) 2007- \$ 5,918.30. See Exhibits "B-E".

B. The assessed value of the Subject Property (land only) according to the two (2) most recent State Department of Assessments and Taxation's assessed valuations are as follows:

- (a) 2011- \$870,400.00. See Exhibit "F".
- (b) 2010- \$870,400.00. See Exhibit "F".

**4. All appraisals obtained within the previous two years by the owner or applicant in connection with the purchase, financing, or ownership of the property.**



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RESPONSE:

There have been no appraisals of the subject property within the previous two years. However, attached are appraisals of the Subject Property prepared for Estate purposes valued as of the date of death of Mr. and Mrs. Reynolds on May 7, 2007 (See Exhibits "G" and "H") which valued Lot 28 at \$450,000.00 and Lots 29 and 30 at \$470,000.00 for a total of \$920,000.00 as of May 7, 2007. In lieu of more recent appraisals, we refer the Historic Preservation Commission to the Maryland Department of Assessments and Taxation assessed value for the subject property assessed as of January 1, 2011 (land only) at \$870,400.00. See Exhibit "F".

**5. Form of Ownership or Operation of the Property, whether sole proprietorship, for-profit or not-for-profit corporation, limited partnership, joint venture, or other.**

RESPONSE:

The Subject Property was the single family home of Mr. and Mrs. Reynolds until their deaths. The Subject Property is presently part of the Estates of both Mr. Reynolds and Mrs. Reynolds.

**6. Any State or Federal income tax returns on or relating to the Property for the past three years.**

RESPONSE:

Since Mr. and Mrs. Reynolds died in May 2007, there has been no state or federal income tax returns on or relating to the property.

However, copies of the Maryland Estate Tax Return for 2007 and the Pro Forma United States Estate and Generation-Skipping Transfer Tax Return for Mr. Reynolds' Estate and Mrs. Reynolds' Estate are attached as Exhibits "I" and "J". These reflect each estate's value at approximately \$1.1 million (of which \$460,000.00 in each estate is now attributable to the subject property). There is also listed as of May 7, 2007 \$312,196.79 in stocks and bonds in each estate (a total of \$624,393.58 for the two estates).

As of today the two (2) Estates combined have approximately \$995,000 in Cash and Certificates of Deposit.



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- 7. ANY LISTING OF THE PROPERTY FOR SALE OR RENT, PRICE ASKED, AND OFFERS RECEIVED, IF ANY, WITHIN THE PREVIOUS TWO YEARS, INCLUDING TESTIMONY AND RELEVANT DOCUMENTS REGARDING:
  - (A) ANY REAL-ESTATE BROKER OR FIRM ENGAGED TO SELL OR LEASE THE PROPERTY;
  - (B) REASONABLENESS OF THE PRICE OR RENT SOUGHT BY THE APPLICANT;
  - (C) ANY ADVERTISEMENTS PLACED FOR SALE OR RENT OF THE PROPERTY.

RESPONSE:

- (A) The subject property has been listed for sale with American Properties since July 10, 2009.
- (B) The subject property was initially listed for sale in August 2009 at \$1,200,000.00. It was re-listed on February 27, 2010 at \$995,000.00. In February 2011 it was again re-listed for sale at \$900,000.00. There has been a steadily declining housing market since 2005. The subject property has been reasonably price each time the price was adjusted to meet then market conditions. Unfortunately, the housing market and property values have continued to decline since 2005.
- (C) The subject property has been advertised throughout the listing period in the MLS system. This has allowed it to be advertised in Realtor.com. Washingtonpost.com. and many other private web sites. Furthermore, at the beginning the subject property was advertised in the Homebuyer's Journal.
- (D) The real estate agent has received many verbal below market offers over the past 2 years in the range of \$450,000.00.



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(E) In 2010 a written offer to purchase was accepted for \$800,000.00 with a 30 day contingency period. Prior to the expiration of the 30 day contingency period, the contract offer was reduced to \$750,000.00 with a 90 day contingency which was accepted by the Estates. Prior to the expiration of the 90 day contingency period the contract purchaser, following discussions he represented he had with HPC staff, revised his written offer to \$680,000.00 which was rejected by the Estates.

**8. ESTIMATE OF THE COST OF THE PROPOSED CONSTRUCTION, ALTERATION, DEMOLITION, OR REMOVAL, AND AN ESTIMATE OF ANY ADDITIONAL COST THAT WOULD BE INCURRED TO COMPLY WITH THE RECOMMENDATION OF THE COMMISSION.**

RESPONSE:

To assist the Historic Preservation Commission in understanding the extensive restoration required to restore the remnants of the existing house to its pre-fire condition, we have attached the report of Applicant's structural engineer, Structural Concepts, Inc., dated April 28, 2010 (Exhibit "K") and copies of the photographs depicting the extensive interior and exterior damage caused by the fire of the existing house (Exhibit "L").

The cost to restore the remnants of the existing single family house to its pre-fire condition is estimated at \$800,000.00. It is anticipated that costs will depending upon what other damage is discovered behind interior walls that do not appear to be damaged as well as for other unforeseen expenses. See the Attached Budget (Exhibit "M"). The general description of the sections of the house to be removed as part of the restoration of the existing house include the following:

- a. 100% of the roof, walls, and flooring in the attic;
- b. 100% of the rear and west exterior walls;
- c. 80-90% of the 2<sup>nd</sup> floor ceilings;
- d. 60-100% of the 2<sup>nd</sup> floor interior walls ( depending upon how much of the floor joists on the 2<sup>nd</sup> floor can be salvaged);
- e. 100% of the plaster of the house;
- f. 70-80% of the second floor pine flooring and sub-flooring;
- g. 70-100% of the floor joists on the 2<sup>nd</sup> floor;
- h. 80-90% of the 1<sup>st</sup> floor interior walls;
- i. 100% of the 1<sup>st</sup> floor pine flooring;
- j. 75-90% of the 1<sup>st</sup> floor subfloor and floor joist.



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In addition, to the above, due to the significant structural damage caused by the fire that can be seen as well as the additional structural damage expected to be discovered once additional interior walls are removed, significant sums of money must also be spent during the restoration process to shore up the remnants of the existing house to assure the safety of the construction workers from the building collapsing as they remove interior and exterior elements of the house. These costs are included within the estimated amount of \$800,000.00.

**9. ESTIMATED MARKET VALUE OF THE PROPERTY;**

**(A) IN THE CURRENT CONDITION:**

**(B) AFTER COMPLETION OF THE PROPOSED DEMOLITION:**

**(C) IN THE CASE OF A PROPOSED DEMOLITION, AFTER RENOVATION OF THE PROPERTY FOR CONTINUED USE.**

**RESPONSE:**

- (A) The estimated market value of the property in its current condition (land value only) is \$870,400.00 based upon the State Department of Assessments & Taxations' current assessed value of the Subject Property (land only) as of January 1, 2011. See Exhibit "F ".
- (B) The estimated market value of the property after completion of demolition is \$870,000.00 based upon the State Department of Assessments & Taxation's current assessed value of the Subject Property as of January 1, 2011. See Exhibit "F ".
- (C) In the case of a required renovation of the existing property for continued use (i.e. being required to restore the remnants of the existing house to its pre-fire condition) the estimated value of the subject property is estimated to be \$1,670,400.00 (\$870,400.00 + \$800,000.00 to restore existing house to pre-fire condition). However, it is the opinion of the Applicant's real estate agent that based upon current market conditions the subject property with the existing house restored to its pre-fire condition, would sell for between \$875,000 - \$925,000.00.



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**10. IN THE CASE OF DEMOLITION, THE TESTIMONY OF AN ARCHITECT, DEVELOPER, REAL-ESTATE CONSULTANT, APPRAISER, OR OTHER REAL ESTATE PROFESSIONAL EXPERIENCED IN REHABILITATION AS TO THE ECONOMIC FEASIBILITY OF REHABILITATION OR REUSE OF THE EXISTING STRUCTURE ON THE PROPERTY.**

RESPONSE:

The "Economic Hardship" material provided by Historic Preservation staff does not provide a definition as to the term "economic feasibility". The term "economical" means "marked by careful, efficient and prudent use of resources." The term "feasible" means "capable of being done or carried out". The term "feasible" also connotes "is it in the best interests of all parties".

It has never been the position of the Applicant that if one is not concerned with the actual "cost" to rehabilitate the remnants of the existing home to its pre-fire condition that it is not "feasible" (i.e. capable of being done or carried out) for an architect and/or structural engineer to come up with a design, including a structural support system during construction, to "physically" restore the existing house to its pre-fire condition.

Similarly, the Applicant does not contest the fact that if (a) one is not concerned with whether the property owner has sufficient funds to do such rehabilitation and is able to financially carry the property until it can be sold (e.g. house insurance, utilities, maintenance and real property taxes) ; or (b) one is not concerned about whether the property owner, if able to use the property as collateral for borrowing the needed monies, has the ability to repay the monies borrowed plus the carrying cost on the property until it is sold (e.g. house insurance, utilities, maintenance and real property taxes), that it is "feasible" i.e. capable of being done or carried out) for an architect and/or structural engineer to come with a design, including the necessary structural support system during construction, to restore the existing home to its pre-fire condition.

However, it is the Applicant's position, that while "feasible" to restore the existing house to its pre-fire condition, for the reasons discussed below, it is not "economical" (i.e. "marked by careful, efficient and prudent use of resources") for the Estates to restore the remnants of the existing house to its pre-fire condition and carry the restored house



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until it can be sold under current real estate market conditions and expect to recover the costs of restoring the house to its pre-fire condition.

In the present case, the Applicant is not a living person who wishes to move back into the home to live out the remainder of their lives in the restored house and/or is the Applicant a working persons(s) generating a steady income sufficient enough to borrow the necessary money from a bank to restore the existing house to its pre-fire condition and also be able to repay the loan and pay the other carrying costs of the property. The Applicant is David Reynolds, the Personal Representative of both the Estate of Oskar C. Reynolds and the Estate of Patricia M. Reynolds (Collectively the "Estates"). As the Personal Representative, David Reynolds has a fiduciary duty to both Estates and to the heirs of both of the Estates to reasonably and prudently liquidate the assets of the Estates and distribute the assets of the Estates in accordance with State law. To do otherwise subjects, David Reynolds, as the Personal Representative, personally to claims and lawsuits by the other heirs under State law challenging the reasonableness and appropriateness of expending \$800,000 of the Estates' assets on restoring the existing house to its pre-fire condition when such amounts cannot be recovered upon the sale of the property.

It is the position of the Applicant that it is not "economical" (i.e. marked by careful, efficient and prudent use of the resources of the two (2) estates i.e. cash and CDs) to restore the remnants of the house to its pre-fire condition because (a) the Estates do not have sufficient liquid assets to do such restoration work and/or to obtain a construction loan to make up the cash short fall and still be able to repay the construction loan and/or be able to carry the house (real property taxes, utilities , house insurance etc.) until the house can be sold at a list price close to \$1,670,400.00 dollars (assessed land value plus cost to restore the house) and (b) based upon current market conditions the expected sale price would be \$875,000 - \$925,000.00 which after settlement closing costs (6% sales commission and 1/2 of transfer and recordation taxes) would not reimburse the Estates for the \$800,000.000 it cost to restore the house to its pre-fire condition.

To assist in evaluating whether the expenditure of \$800,000.00 the Estates' available liquid assets (\$995,000 in cash CDs) to restore the house to its pre-fire condition is a "careful, efficient and prudent use of these resources" an analysis of two (2) recent sales of homes on the same street as the subject property is helpful. One property, located at 3908 Baltimore Street is immediately next door to the subject property was listed for sale on January 21, 2011 at \$ 875,000.00 has been sold with settlement still pending. The other property is located at 3918 Baltimore Street and was listed for sale



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on 2009 at \$1,125,000.00. It was sold in October 2010 \$970,000.00. See Exhibits "N", "O" and "P".

The following is a comparison of the subject property and the two (2) recent sales:

	<u>3908</u>	<u>3914</u>	<u>3928</u>
Lot size	16,479 sq.ft.	25,875 sq.ft.	20,310 sq.ft.
House Size	3,190 sq.ft.	2,840 sq.ft.	3,458 sq.ft.
Bed rooms	6	5	4
Bathrooms	3FB	2FB, ½ bath	2FB, 1 ½ Bath
Fire Places	5	0	1
# of Stories	2 ½	2 ½	2 ½
Garage	0	0	1

Property  
Renov./Remod.

Property  
Renov./Remod

State Department of Assessments and Taxation  
2011 Assessed Values:

Land	\$468,800.00	\$870,400.00	\$540,800.00
Improvements	\$300,000.00	\$0.00	\$467,000.00

Based upon the above information relative to the subject property and the two (2) properties on Baltimore Street recently sold, the following conclusions can be reached;

1. The Reynolds' house prior to the fire, when compared to the other 2 properties was smaller in size, had fewer bath rooms (both full and half) with one full bath having been in the unfinished basement and no fire place.



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2. The \$800,000.00 cost to restore the remnants of the existing house to its pre-fire condition will be more than 1 ½ times more than the \$467,000.00 assessed value of the house at 3928 Baltimore Street and 2 ½ times more than the \$300,000.00 assessed value of the house at 3908 Baltimore Street.
3. The cost to restore the remnants of the existing house to its pre-fire condition (\$800,000.00) when added to the assessed value of the land (\$874,400.00) will bring the assessed value to approximately \$1,674,400.00 which is 2 times the assessed value of 3908 Baltimore Street and 1½ times the assessed value of 3928 Baltimore Street.
4. The State increasing the current assessed value of the subject property (presently for land only) by the \$800,000.00 to restore the existing house to its pre-fire condition brings the assessed value to \$1,674,400.00 which is 2 times more than its existing assessed value. This will double its real property taxes to over \$20,000.00 per year thereby costing the Estates more money to carry the property before it can be sold.
5. We believe that a person wishing to buy the subject property because of the small size of the restored house to its pre-fire size (2, 849 sq. ft.) will be more interested in whether the restored house justifies the price being asked than with the lot size because the location and extent of any expansion of the house, not withstanding whether such expansion is within permitted development standards under both the County zoning and Town of Kensington development standards, is totally controlled by the Historic Preservation Commission. The question any interested purchaser will ask themselves is whether the existing house at 2,840 square feet (1148 sq.ft. 1<sup>st</sup> floor, 874 sq.ft. 2<sup>nd</sup> floor, 818 sq. ft. 3<sup>rd</sup> floor) without the right to expand, is worth close to \$1,674, 400.00. See Exhibit "Q".

We believe that in light of the larger house at 3828 Baltimore Street selling for \$970,000.00 (approximately \$704,000.00 less than the subject property based upon the \$870,400.00 assessed value for the land and the \$800,000.00 to restore the existing house to its pre-fire condition) after being on the market for over 1 year and the slightly larger house immediately next door selling for \$875,000.00 after only 17 days on the market. The likely answer is NO. Therefore, unless the real estate market makes dramatic strides over a very short period of time, the two (2) Estates will be forced to sell the subject property for substantially less money than the \$870,400.00 the land is assessed after expending \$800,000.00 to restore the house to its



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pre-fire condition. Such a scenario clearly is not one marked by “careful, efficient and prudent use of resources”, hence imposes an economic hardship on the two (2) Estates.

6. The location of the existing house on lot 29 precludes the ability to consolidate the 3 lots into 2 lots. The lots are 50' wide. The minimum side yard building setback under the county zoning ordinance for the subject property is a minimum of 7' on each side which leaves a building width of 36' the same size as the existing house on lot 29. However, permission from the Historic Preservation Commission is required before any additional house(s) may be constructed on either lot 28 or 30. See Exhibits “R” and “S”.
7. The two (2) estates presently have a total of \$995,000.00 in liquid assets (cash and certificates of deposit). The two (2) Estates will have \$195,000.00 after deducting the \$800,000.00 to re-store the house to its pre-fire conditions to carry the house until it is sold.
8. The costs to carry the subject property until it can be sold will include over \$20,000.00 in real property taxes per year. The costs of utilities (gas and electricity) to heat and air condition the house until it is sold will be a minimum of \$200.00 to \$300.00 per month (\$2,400.00 – \$3,600.00 per year). The cost of property insurance will be approximately \$1,500.00 per year. If the Estates do not have sufficient funds to pay real property taxes, the property would be sold at tax sale and will result in the Estates not recovering any of the \$800,000.00 cost to restore the house to its pre-fire condition and/or costs to carry the subject property, as well as the value of the land (assessed at \$870,400.00).
9. It is the opinion of the Estates real estate agent, based upon the 2 recent sales on Baltimore Street that the subject property , after the existing house is restored to its pre-fire condition, will sell for between \$875,000.00-\$925,000.00. As noted above, after deducting the standard closing costs to the Seller (6% real estate commission and ½ of closing costs) the Estates will not net out enough from the sale to cover the \$800,000.00 cost of restoration of the existing house to its pre-fire condition and will not receive any compensation for the value of the land (assessed at \$870,400.00).



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For all of the above reasons, the Applicant believes that it has met its burden of proof in establishing "Economic Hardship" based upon the information required by the Historic Preservation Commission on such issues. Accordingly, the Applicant respectfully requests approval of its request to demolish the remnants of the existing house.

Very truly yours,

Martin J. Hutt

cc: David Reynolds, Personal Representative  
Enclosures

mailed to -  
Anthony W. Staxatt in att. [illegible] 11-3-61

LIBER 2891 FOLIO 181

Recorded Sept. 26th, 1961-at-11:50 A.M.

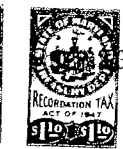
DEED

Made this 15th day of September in the year of our Lord One Thousand Nine Hundred and Sixty-One by and between ELIZABETH STICKLEY, unmarried, and ALGER Y. BARBEE, unmarried, parties of the first part, and O. CRAIG REYNOLDS and PATRICIA W. REYNOLDS, parties of the second part:

WHEREAS, Lucile D. Appleby, late of Montgomery County, Maryland, died on or about March 19, 1960, leaving a Last Will and Testament admitted to probate in the Orphans' Court for Montgomery County, Maryland, and filed among the records of the Register of Wills for the said Montgomery County in Liber VMB 123 at folio 472, seized and possessed of the hereinafter described land and premises, having devised the said land and premises to Elizabeth Stickley for and during the natural life of the said Elizabeth Stickley and at her death to Philip Gore, David Lowe and Julia Somervell, also known of record as Julia Alice Somervell, and

WHEREAS, the said Elizabeth Stickley, life tenant, and the said Philip Gore, David Lowe and Julia Somervell, also known of record as Julia Alice Somervell, infant remaindermen, did enter into a contract of sale to sell the said land and premises to the grantees herein, the said contract of sale having been ratified and confirmed by the Circuit Court for Montgomery County, Maryland, sitting as a Court of Equity, in Equity Cause No. 24272, by its decree on the 10th day of August, 1961, Alger Y. Barbee having theretofore been duly appointed by the said Circuit Court as guardian ad litem for and on behalf of all of the aforesaid infant remaindermen, the Court in said Decree having authorized and appointed the said Alger Y. Barbee in his own right to convey the said land and premises in accordance with the aforesaid contract of sale.

NOW, THEREFORE, THIS DEED WITNESSETH, that in consideration of the sum of Ten (\$10.00) Dollars, and other good and valuable considerations, receipt of which is hereby acknowledged, the said Elizabeth Stickley, as to all of her interest as life tenant, and the said Alger Y. Barbee, by virtue of the authority vested in him under the aforesaid Decree of the Circuit Court for



1961

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tabbles  
**EXHIBIT**  
A

Montgomery County, sitting as a Court of Equity, on behalf of said infant remaindermen, parties of the first part, do hereby grant and convey unto O. Craig Reynolds and Patricia W. Reynolds, his wife, parties of the second part, as tenants by the entirety, their heirs and assigns, in fee simple, all of that piece or parcel of ground lying in Montgomery County in the State of Maryland and being described as follows, to wit:

All of Lots 28, 29 and 30 in Block 11 in the Subdivision known as "Kensington Park" in accordance with a plat thereof recorded among the Land Records of Montgomery County, Maryland, in Liber JA 23 at folio 2 and re-recorded among the said Land Records in Plat Book B at folio 4.

TOGETHER with the building and improvements thereupon erected, made or being; and all and every the rights, alleys, ways, waters, privileges, appurtenances and advantages to the same belonging or in any wise appertaining.

TO HAVE AND TO HOLD the said piece or parcel of ground and premises above described or mentioned and hereby intended to be conveyed, together with the rights, privileges, appurtenances and advantages thereto belonging or appertaining unto and to the only proper use, benefit and behoof forever of the said O. Craig Reynolds and Patricia W. Reynolds, his wife, as tenants by the entirety, their heirs and assigns, in fee simple.

AND the said parties of the first part covenant that they will warrant specially the property hereby conveyed and that they will execute such further assurances of said land as may be requisite.

WITNESS their hands and seals.

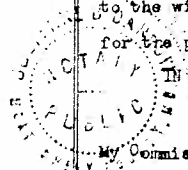
TEST:

Andrew W. Starratt, Jr.  
Andrew W. Starratt, Jr.  
as to both  
as to both

Elizabeth Stickleby (SEAL)  
ELIZABETH STICKLEY  
Alger Y. Barbree (SEAL)  
ALGER Y. BARBREE

STATE OF MARYLAND, MONTGOMERY COUNTY, ss:

On this 15<sup>th</sup> day of September, 1961, before me, a Notary Public in and for the aforesaid State and County, personally appeared ELIZABETH STICKLEY and ALGER Y. BARBEE, known to me to be the persons whose names are subscribed to the within instrument and acknowledged that they have executed the same for the purposes therein contained.



IN WITNESS WHEREOF, I hereunto set my hand and official seal.

My Commission Expires: 5/6/63

Julienne B. Harrow  
Julienne B. Harrow Notary Public

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October 20, 2010



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**REAL PROPERTY CONSOLIDATED TAX BILL**

LEVY YEAR 2010

ANNUAL BILL

TAX PERIOD 07/01/2010-06/30/2011

ACCOUNT NUMBER	BILL NO.	PROPERTY ADDRESS	MORTGAGE	OCCUPANCY
01024012	30090170	3914 BALTIMORE ST	UNKNOWN	NOT A PRINCIPAL RESIDENCE
<b>PROPERTY DESCRIPTION</b>		REYNOLDS, O CRAIG & P W		
LOTS 29&30 KENSINGTON		3914 BALTIMORE ST KENSINGTON, MD 20895-3906		

LOT	BLOCK	DISTRICT	SUB	CLASS	REFUSE AREA	REFUSE UNIT	TAX DESCRIPTION	ASSESSMENT RATE	TAX/CHARGE
28	11	13	015	R027			STATE PROPERTY TAX	870,400 .1120*	974.85
							COUNTY PROPERTY TAX	870,400 .9120*	7,938.05
							KENSINGTON PROPERTY TAX	870,400 .1360*	1,183.74
							WATER QUAL PROTECT CHG (RSFD)		49.00
<b>TOTAL</b>									<b>10,145.64</b>
INTEREST									169.11
<b>TOTAL AMOUNT</b>									<b>10,314.75</b>
<b>Amount Due by 10/31/2010</b>									<b>10,314.75</b>

**SELECT PAYMENT OPTION**

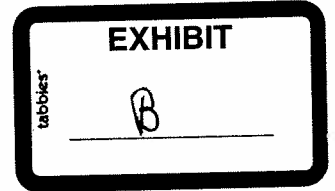
- ELECTRONIC CHECK
- CREDIT CARD
- DEBIT CARD
- PERSONAL CHECK
- E CHECK History

There is no charge for using the Electronic Check payment method; however, you will be charged a convenience fee of approximately 2.5% of the payment when paying by credit or debit card

Last edited: 5/6/2010

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REAL PROPERTY CONSOLIDATED TAX BILL

LEVY YEAR 2009

ANNUAL BILL

TAX PERIOD 07/01/2009-06/30/2010



ACCOUNT NUMBER	BILL NO.	PROPERTY ADDRESS	MORTGAGE	OCCUPANCY
01024012	29090257	3914 BALTIMORE ST	UNKNOWN	NOT A PRINCIPAL RESIDENCE

PROPERTY DESCRIPTION	REYNOLDS, O CRAIG & P W
LOTS 29&30 KENSINGTON	3914 BALTIMORE ST KENSINGTON, MD 20895-3906

LOT	28	TAX DESCRIPTION	ASSESSMENT RATE	TAX/CHARGE
BLOCK	11	STATE PROPERTY TAX	899,480 .112*	1,007.42
DISTRICT	13	COUNTY PROPERTY TAX	899,480 .913*	8,212.25
SUB	015	KENSINGTON PROPERTY TAX	899,480 .122*	1,097.37
CLASS	R027	WATER QUAL PROTECT CHG (RSFD)		45.50
		<b>TOTAL</b>		<b>10,362.54</b>
REFUSE AREA		PRIOR PAYMENTS ****		10,362.54
REFUSE UNIT		INTEREST		
		<b>TOTAL AMOUNT</b>		<b>0.00</b>
		<b>Amount Due by 6/30/2010</b>		<b>0.00</b>

SELECT PAYMENT OPTION

ELECTRONIC CHECK

CREDIT CARD

DEBIT CARD

PERSONAL CHECK

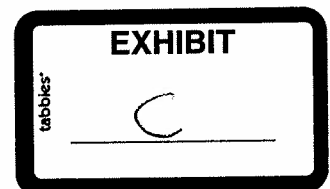
E CHECK History

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LEVY YEAR 2008

ANNUAL BILL

TAX PERIOD 07/01/2008-06/30/2009

ACCOUNT NUMBER	BILL NO.	PROPERTY ADDRESS	MORTGAGE	OCCUPANCY
01024012	28090353	3914 BALTIMORE ST	UNKNOWN	PRINCIPAL RESIDENCE

PROPERTY DESCRIPTION	REYNOLDS, O CRAIG & P W
LOTS 29&30 KENSINGTON	3914 BALTIMORE ST KENSINGTON, MD 20895-3906

LOT	28	TAX DESCRIPTION	ASSESSMENT RATE	TAX/CHARGE
BLOCK	11	STATE PROPERTY TAX	727,942 .112*	815.30
DISTRICT	13	COUNTY PROPERTY TAX	727,942 .912*	6,638.84
SUB	015	KENSINGTON PROPERTY TAX	727,942 .130*	946.32
CLASS	R027	SOLID WASTE CHARGE	30.25	30.25
REFUSE AREA	R40	WATER QUAL PROTECT CHG (RSFD)		35.50
REFUSE UNIT	1	<b>TOTAL</b>		<b>8,466.21</b>
		<b>CREDIT DESCRIPTION</b>	<b>ASSESSMENT RATE</b>	<b>AMOUNT</b>
		COUNTY PROPERTY TAX CREDIT		-579.00
		<b>TOTAL CREDITS</b>		<b>-579.00</b>
		<b>PRIOR PAYMENTS ****</b>		<b>7,887.21</b>
		INTEREST		
		<b>TOTAL AMOUNT</b>		<b>0.00</b>
		<b>Amount Due by 10/31/2010</b>		<b>0.00</b>

Semi-Annual Installments Information	Tax Amount
1st Semi-Annual Installment due by Sept 30	
2nd Semi-Annual Installment due by Dec 31	

SELECT PAYMENT OPTION

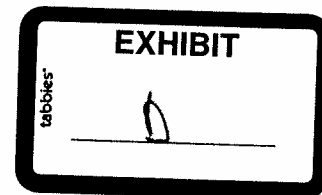
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REAL PROPERTY CONSOLIDATED TAX BILL

LEVY YEAR 2007

ANNUAL BILL

TAX PERIOD 07/01/2007-06/30/2008

ACCOUNT NUMBER	BILL NO.	PROPERTY ADDRESS	MORTGAGE	OCCUPANCY
01024012	27090447	3914 BALTIMORE ST	UNKNOWN	PRINCIPAL RESIDENCE
PROPERTY DESCRIPTION		REYNOLDS, O CRAIG & P W		
LOTS 29&30 KENSINGTON		3914 BALTIMORE ST KENSINGTON, MD 20895-3906		

LOT	28	TAX DESCRIPTION	ASSESSMENT RATE	TAX/CHARGE
BLOCK	11	STATE PROPERTY TAX	556,406 .112*	623.17
DISTRICT	13	COUNTY PROPERTY TAX	556,406 .913*	5,080.00
SUB	015	KENSINGTON PROPERTY TAX	556,406 .139*	773.40
CLASS	R027	SOLID WASTE CHARGE	29.50	29.50
REFUSE AREA	R40	WATER QUAL PROTECT CHG (RSFD)		25.23
REFUSE UNIT	1	<b>TOTAL</b>		<b>6,531.30</b>
		CREDIT DESCRIPTION	ASSESSMENT RATE	AMOUNT
		COUNTY PROPERTY TAX CREDIT		-613.00
		TOTAL CREDITS		-613.00
		<b>PRIOR PAYMENTS ****</b>		<b>5,918.30</b>
		INTEREST		
		<b>TOTAL AMOUNT</b>		<b>0.00</b>
		<b>Amount Due by 10/31/2010</b>		<b>0.00</b>

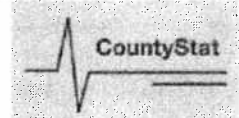
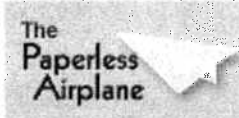
Semi-Annual Installments Information	Tax Amount
1st Semi-Annual Installment due by Sept 30	
2nd Semi-Annual Installment due by Dec 31	

SELECT PAYMENT OPTION

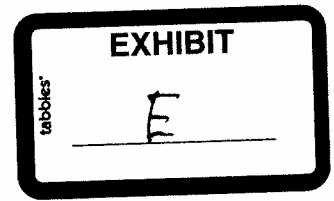
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Maryland Department of Assessments and Taxation  
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**Account Identifier:** District - 13 Account Number - 01024012

**Owner Information**

**Owner Name:** REYNOLDS O CRAIG & P W **Use:** RESIDENTIAL  
**Principal Residence:** NO  
**Mailing Address:** 3914 BALTIMORE ST **Deed Reference:** 1) /02891/ 00181  
 KENSINGTON MD 20895-3906 2)

**Location & Structure Information**

**Premises Address:** 3914 BALTIMORE ST  
 KENSINGTON 20895-0000  
**Legal Description:** LOTS 29&30 KENSINGTO  
 N PARK

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No: Plat Ref:
HP43	0000	0000		0015		11	28	1	

**Special Tax Areas:**  
**Town:** KENSINGTON  
**Ad Valorem Tax Class:** 27

**Primary Structure Built:** **Enclosed Area:** **Property Land Area:** 25,875 SF **County Use:** 111

**Stories:** **Basement:** **Type:** **Exterior:**

**Value Information**

	Base Value	Value As Of 01/01/2010	Phase-in Assessments	
			As Of 07/01/2010	As Of 07/01/2011
<b>Land</b>	899,480	870,400		
<b>Improvements:</b>	0	0		
<b>Total:</b>	899,480	870,400	870,400	870,400
<b>Preferential Land:</b>	0			0

**Transfer Information**

**Seller:** **Date:** **Price:**  
**Type:** **Deed1:** **Deed2:**

**Seller:** **Date:** **Price:**  
**Type:** **Deed1:** **Deed2:**

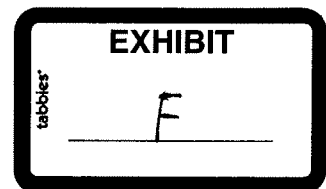
**Seller:** **Date:** **Price:**  
**Type:** **Deed1:** **Deed2:**

**Exemption Information**

Partial Exempt Assessments	Class	07/01/2011	07/01/2012
<b>County</b>			0.00
<b>State</b>			0.00
<b>Municipal</b>			0.00

**Tax Exempt:** **Special Tax Recapture:**  
**Exempt Class:** \* NONE \*

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# RESIDENTIAL APPRAISAL REPORT



## AREA APPRAISAL SERVICES, INC

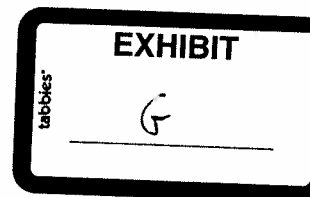
<b>Property Location:</b>	3914 Baltimore Street Lot 28 Kensington Block 11 Lot 28 Kensington, MD 20895-3906
<b>Borrower:</b>	N/A
<b>Client:</b>	Lerch, Early & Brewer, Chtd. 3 Bethesda Metro Center Bethesda, MD 20814
<b>Effective Date:</b>	May
<b>Prepared By:</b>	In Kim



6917 Arlington Road  
Suite 301  
Bethesda, MD 20814

Tel (301) 215-7567 Fax (301) 215-7568

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Area Appraisal Services, Inc.  
6917 Arlington Road  
Suite 301  
Bethesda, MD 20814

01/30/2008

Lerch, Early & Brewer, Chtd.  
3 Bethesda Metro Center  
Bethesda, MD 20814

Re: Property: 3914 Baltimore Street Lot 28  
Kensington, MD 20895-3906  
Borrower: N/A  
File No.: 80037

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,

In Kim 

# LAND APPRAISAL REPORT

Reynolds

File No. 80037

**Borrower** N/A **Census Tract** 7042.00 **Map Reference** 13644  
**Property Address** 3914 Baltimore Street Lot 28  
**City** Kensington **County** Montgomery **State** MD **Zip Code** 20895-3906  
**Legal Description** Kensington Block 11 Lot 28  
**Sale Price** \$ \_\_\_\_\_ **Date of Sale** \_\_\_\_\_ **Loan Term** \_\_\_\_\_ yrs. **Property Rights Appraised**  Fee  Leasehold  De Minimis PUD  
**Real Estate Taxes** \$ \_\_\_\_\_ (yr) **Loan charges to be paid by seller** \$ \_\_\_\_\_ **Other sales concessions** \_\_\_\_\_  
**Appraiser/Client** Lerch, Early & Brewer, Chtd. **Address** 3 Bethesda Metro Center, Suite 460, Bethesda, MD 20814  
**Occupant** \_\_\_\_\_ **Appraiser** In Kim **Instructions to Appraiser** \_\_\_\_\_

<b>Location</b>	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural		<b>Good</b>	<b>Avg.</b>	<b>Fair</b>	<b>Poor</b>	
<b>Built Up</b>	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%		<b>Employment Stability</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Growth Rate</b> <input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	<input type="checkbox"/> Slow		<b>Convenience to Employment</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Property Values</b>	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining		<b>Convenience to Shopping</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Demand/Supply</b>	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Oversupply		<b>Convenience to Schools</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Marketing Time</b>	<input type="checkbox"/> Under 3 Mos.	<input checked="" type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.		<b>Adequacy of Public Transportation</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Present Land Use</b> 80% 1 Family _____ % 2-4 Family _____ % 5% Apts. _____ % 5% Condo _____ % 5% Commercial _____ % Industrial _____ % 5% Vacant _____ %					<b>Recreational Facilities</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Change in Present Land Use</b>	<input checked="" type="checkbox"/> Not Likely	<input type="checkbox"/> Likely (*)	<input type="checkbox"/> Taking Place (*)		<b>Adequacy of Utilities</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Predominant Occupancy</b>	(*) From _____ To _____				<b>Property Compatibility</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Single Family Price Range</b> \$ _____ to \$ _____ <b>Predominant Value</b> \$ _____	<input checked="" type="checkbox"/> Owner <input type="checkbox"/> Tenant _____ % Vacant				<b>Protection from Detrimental Conditions</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Single Family Age</b> _____ yrs. to _____ yrs. <b>Predominant Age</b> _____ yrs.				<b>Police and Fire Protection</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
				<b>General Appearance of Properties</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
				<b>Appeal to Market</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

**Comments** including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise): See attached addendum

**Dimensions** Appraiser was not provided copy of survey = Appr 8,625 Sq. Ft. or Acres  Corner Lot  
**Zoning classification** R60 **Present Improvements**  do  do not conform to zoning regulations  
**Highest and best use**  Present use  Other (specify) \_\_\_\_\_  
**Elec.**  Public  Other (Describe) \_\_\_\_\_ **OFF SITE IMPROVEMENTS**  
**Gas**  \_\_\_\_\_ **Street Access**  Public  Private **Topo** Slopes towards east and north  
**Water**  \_\_\_\_\_ **Surface** Asphalt **Size** Approximately 8,625 SqFt  
**San. Sewer**  \_\_\_\_\_ **Maintenance**  Public  Private **Shape** Mostly rectangular  
 Underground Elect. & Tel. **Storm Sewer**  **Curb/Gutter**  **Drainage** Average  
 Sidewalk  **Street Lights** \_\_\_\_\_ **Is the property located in a HUD Identified Special Flood Hazard Area?**  No  Yes

**Comments** (favorable or unfavorable including any apparent adverse easements, encroachments, or other adverse conditions): No zoning letter of subject's confirmatory statues has been provided for our review nor are we aware of the existence of same. The appraiser takes no responsibility of issues relating to conformance or zoning legality as we possess not expertise in this area. See attached addendum.

The undersigned has recited three recent sales of properties most similar and proximate to subject and has considered these in the market analysis. The description includes a dollar adjustment reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to or more favorable than the subject property, a minus (-) adjustment is made thus reducing the indicated value of subject; if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made thus increasing the indicated value of the subject.

ITEM	SUBJECT PROPERTY	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
<b>Address</b>	3914 Baltimore Street Lot 28 Kensington	3413 Plyers Mill Road Kensington, MD 20895	10901 Hobson Street Kensington, MD 20895	10129 Crestwood Road Kensington, MD 20895
<b>Proximity to Subject</b>		0.53 miles NE	0.97 miles NE	0.80 miles W
<b>Sales Price</b>	\$ _____	\$ 430,000	\$ 600,000	\$ 465,000
<b>Price</b>	\$ _____	\$ _____	\$ _____	\$ _____
<b>Data Source</b>	Inspection	MLS#MC5506816	MLS#MC6366416	MLS#MC6034130
<b>Date of Sale and Time Adjustment</b>	DESCRIPTION	DESCRIPTION +(-)\$ Adjust	DESCRIPTION +(-)\$ Adjust	DESCRIPTION +(-)\$ Adjust
		05/31/2006	05/25/2007	05/07/2006
<b>Location</b>	Kensington	Kensington	Kensington	Kensington
<b>Site/View</b>	8,625 SqFt	7,841 SqFt	19,206 SqFt	7,681 SqFt
<b>Utilities</b>	On Site	On Site	On Site	On Site
<b>View</b>	Average	Traffic Street +20,000	Average	Average
<b>Sales or Financing Concessions</b>				
<b>Net Adj. (Total)</b>		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 20,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> - \$ -150,000	<input type="checkbox"/> + <input type="checkbox"/> - \$ _____
<b>Indicated Value of Subject</b>		\$ 450,000	\$ 450,000	\$ 465,000

**Comments on Market Data:** See attached addendum

**Comments and Conditions of Appraisal:** See attached addendum

**Final Reconciliation:** See attached addendum

**ESTIMATE THE MARKET VALUE, AS DEFINED, OF SUBJECT PROPERTY AS OF** May 7 2007 **to be \$** 450,000 **based on the hypothetical assumption that lot 28 is seperately buildable.**

**In Kim** \_\_\_\_\_ **Stephen Rochkind, SRA**  Did  Did Not Physically Inspect Property  
**Appraiser(s)** \_\_\_\_\_ **Review Appraiser (if applicable)** \_\_\_\_\_

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**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 considers his 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 judgement.

**STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION**

**CONTINGENT AND LIMITING CONDITIONS:** The appraiser's certification that appears in the appraisal report is subject to the following 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. 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.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report 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 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.
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.
5. 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.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, 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 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.
7. 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.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. 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 completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

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**APPRAISER'S CERTIFICATION:** The Appraiser certifies and agrees that:

- 1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to, or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
- 2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
- 3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and limiting conditions specified in this form.
- 4. I have no present or prospective interest in the property that is the subject to 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 the estimate of market 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.
- 5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
- 6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
- 7. I performed this appraisal in conformity 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 as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
- 8. I have personally inspected the interior and exterior areas of the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
- 9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of 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 the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

**SUPERVISORY APPRAISER'S CERTIFICATION:** If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

**ADDRESS OF PROPERTY APPRAISED:** 3914 Baltimore Street Lot 28, Kensington, MD 20895-3906

<p><b>APPRAISER:</b></p> <p>Signature: <u>[Signature]</u></p> <p>Name: <u>In Kim</u></p> <p>Date Signed: <u>January 30, 2008</u></p> <p>State Certification #: _____</p> <p>or State License #: <u>28753</u></p> <p>State: <u>MD</u></p> <p>Expiration Date of Certification or License: <u>02/19/2009</u></p>	<p><b>SUPERVISORY APPRAISER (only if required):</b></p> <p>Signature: <u>[Signature]</u></p> <p>Name: <u>Stephien Rochkind, SRA</u></p> <p>Date Signed: <u>January 30, 2008</u></p> <p>State Certification #: <u>03-4176</u></p> <p>or State License #: _____</p> <p>State: <u>MD</u></p> <p>Expiration Date of Certification or License: <u>9/15/2010</u></p>
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Did  Did Not Inspect Property

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Borrower/Client	N/A				
Property Address	3914 Baltimore Street Lot 28				
City	Kensington	County	Montgomery	State	MD
Lender	Lerch, Early & Brewer, Chtd.				
				Zip Code	20895-3906

File No. 80037

**PURPOSE OF THE APPRAISAL**

The purpose of this appraisal is to estimate the market value of the subject property for estate purposes. In estimation of the subject property's market value, an orderly, systematic procedure is followed, in which the steps lead to a logical final value conclusion. Every effort is made to conform to the USPAP guidelines. In conducting this appraisal assignment, an independent analysis and research of pertinent data concerning all influential factors has been completed. These include the legal and economic uses to which the subject property could be put; i.e. consideration of the highest and best use; the estimate cost to reproduce the subject property as well as the comparable sales, under contract sales, listings, and trends in the local market. In addition, political, social, economic, and environmental forces that could affect the marketability of the subject property were considered.

**USE OF THE APPRAISAL**

The intended use of this appraisal is to provide a valuation of the subject property in connection with an estate. To that end, this appraisal report has been directed to and prepared EXCLUSIVELY for our client.

**SCOPE OF THE APPRAISAL**

The scope of the appraisal refers to the extent of the process in which data is collected, confirmed and reported. In this instance, the appraisal problem involves the valuation of a single-family dwelling unit and underlying land.

**NEIGHBORHOOD DESCRIPTION**

Information in the city and county descriptions is from the Greater Washington Board of Trade homepage, www.bot.org, and the city-data.com web pages.

**Greater Washington Metropolitan Area:**

With the region's population projected to increase from 5.8 million to 6.3 million by 2008, Greater Washington is poised to maintain its vibrant economy. And with a Gross Regional Product of \$288 billion, Greater Washington's economy grew by 23.2% (inflation adjusted) in the past five years, compared to the national growth rate of just 14.7%

Greater Washington has become a hub for business, science and technological innovation and is the prime location for firms seeking to provide goods and services to the federal government.

Over the past 20 years, Greater Washington led the nation in employment growth with nearly 1.12 million jobs added between 1983 and 2003. In the past five-year period, the region was also the fastest-growing large metro; the area's job base increased by 274,100.

Employers can find smart, well-educated people here. Parents can choose from highly rated public or private schools; the region's K-12 programs range from foreign-language immersion to language/arts or science/technology-focused curriculum. Residents of all ages can take advantage of a myriad of resources and courses offered by area colleges and universities.

Across the Greater Washington region, commercial and residential real estate markets are very strong. Government contracting is helping drive the commercial market in the area's suburban sectors; retail and multi-housing projects are invigorating downtown DC. With projected increases in population and jobs, the region's real estate picture for the foreseeable future appears rosy.

Greater Washington features three airports, Amtrak, two major ports and an extensive public transportation system to move people and products to, from, and around the region. The region thrives on easy access. The area airports, Baltimore/Washington International Airport, Washington Dulles International Airport and Ronald Reagan Washington National Airport, offer approximately 1,000 daily non-stop flights to 86 U.S. cities via more than 45 different airlines. Greater Washington's air travel is top notch.

A world-class metro system helps connect the suburbs to the capital city, while the Virginia Railway Express, Maryland's MARC trains and Amtrak transport employees to and from work.

In 2003, Greater Washington's METRO rail system served approximately 184 million riders. With 103 miles of track and 83 stations, METRO is the nation's second-most utilized subway system. Forty-one percent of employees who work in the region's central business area use a form of mass transit.

**Virginia Rail Express:**

In 2003, over three million passengers rode Virginia Railway Express (VRE) trains, or approximately 16,000 daily riders to and from 18 stations. The system is among the top three fastest-growing commuter rail systems in the country and has grown by 16% annually for the past four years.

**Maryland Rail Commuter:**

Maryland's MARC trains service approximately 24,000 daily riders on 187 miles of track and 42 stations. Two train lines transport riders between Washington, DC and Baltimore, MD; a third runs from the District to Martinsburg, WV.

In 2003, two million people boarded Amtrak trains from Greater Washington's Union Station and BWI Airport

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stations, a total second only to New York City. From Greater Washington, Amtrak services 150 stations throughout the northeast, southeast and Midwest.

Regional transportation infrastructure encourages car and van pooling with High Occupancy Vehicle (HOV) road solutions. Three major Northern Virginia interstates (I-95, I-66 and I-395) and two Suburban Maryland highways (I-270 and Route 50) offer HOV lanes, requiring two to three occupants per vehicle. Regional interstates connecting the region to major cities across the country include I-95, I-70 and I-66

As the fourth-largest metro area in the United States, the economy of the Greater Washington region encompasses more than 20 jurisdictions in Maryland and Virginia, plus the District of Columbia.

**A Metropolitan Region:** A total of 6,000 square miles (15,500 kilometers) encompasses the District of Columbia, Northern Virginia and Suburban Maryland.

**A Growing Community:** The Washington Region has a population of 5.8 million, and is the 4th largest U.S metro area. Washington is the only large metro in the U.S with positive job growth – 19,900 new jobs in 2003, and has led the U.S. in job growth over past 20 years – 1.12 million jobs added from 1983 to 2003.

**A Vibrant Economic Center:** with a gross regional product of nearly \$288.3 billion, Washington is the 4th largest economic center in the nation. The Washington area boasts the largest number of Inc. 500 companies for seven consecutive years (47 firms in 2003). Washington is the nation's second-best metro area for entrepreneurs, according to Entrepreneur magazine, and is home to more than 90 eLearning firms. In 2003, 160 regional firms garnered \$780 million in venture capital. The median household income is \$70,666.

**Home of the U.S. Government:** the federal government is the largest single technology consumer in the world. While regional federal procurement grew to \$37.7 billion in 2002 – an increase of 142% in 10 years, federal employment is only 11% of total regional employment.

**Strong Biotechnology Center:** the Washington area has the third largest number of bioscience companies in the world and is a leader in human genome research. Washington is also the home of the National Institutes of Health, U.S Food and Drugs Administration, and National Institute of Standards and Technology. New facilities plans include a \$425 million Eli Lilly manufacturing facility and \$500 million Howard Hughes Medical Institutes research center.

**International:** there are 607 foreign-owned companies in the Washington region, and it was the best global city for real estate investment (2003). The Washington region economy ranks 17th in the world.

**Education:** there are more than 40 colleges & universities in the Washington area, attracting approximately 49,000 students annually. There are 468,094 students in public K-12 school systems of the area, which rank in the top 17% nationally. The K-12 programs offered in the area range from foreign-language immersion to language/arts and science/technology-focused curriculums.

**Ease of Travel:** there are three airports that serve the region with more than 1,000 daily non-stop flights to 86 domestic locations, and approximately 534 weekly non-stop flights serve 36 destinations in 28 countries. The region's modern METRO system is the second-most utilized subway in the nation.

**A Few Fast Facts:** there are 85 professional theatre companies and more free attractions than any other U.S metro area; \$3.6 billion was invested in new arts and cultural infrastructure; there is approximately 234,000 acres of parkland and more than 800 miles (1,290 kilometers) of bike paths in the area; there have been 450 new holes of golf at 30 new gold courses built over the past five years; there are 17 professional and major college sports programs; and there are more than 8,000 restaurants and bars in the area.

#### Montgomery County, Maryland:

Population (2003 est.): 918,520; Size: 497 square miles. Maryland's most populous jurisdiction, Montgomery County is one of the fastest developing areas in the nation. Ranging from dynamic commercial districts and cosmopolitan suburbs to farms and parkland, the County offers a choice of environments for businesses and residents. Recreational opportunities abound with over 27,000 acres of county, state and national parks, 130 acres of lakes, 30 golf courses and many other amenities. Montgomery County has more than 23,000 businesses, many of them clustered along the I-270 and Route 29 technology corridors. The County is a major center of high technology and government-related business, with biotechnology and telecommunications including federal research and development, among the most active sectors. Major companies include Human Genome Sciences, Lockheed Martin, Global Telecommunications, Hughes Network Systems and Marriott International, Inc.

A Brief History of the Town of Kensington, Maryland  
(<http://www.tok.org/history/>)

#### • "An Excerpt of Kensington History"

The Town of Kensington, Maryland is known to its citizens as the Town where "the train still stops and the citizens still walk". The history of Kensington started decades before the Baltimore & Ohio Railroad constructed the Metropolitan Branch line from Washington, DC to Point of Rocks, Maryland in 1873. The Metropolitan Branch line bisected property owned by Mr. and Mrs. George Knowles. The train stopped a Knowles Station in recognition of George Knowles' property. This Station facilitated commerce to Knowles and the other farmers in the immediate

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area. Soon after the death of Knowles, parcels of land from the estate were sold. A significant portion of the Knowles estate and some of other surrounding land in the vicinity of the Knowles Station provided the natural setting of several hundred houses that emerged into Kensington of today. The name, Kensington did not surface until 1894. By 1890, the village of Knowles Station, as it was known then, experienced rapid growth and its growing governance and infrastructure needs could not be accommodated by the County. In 1894 a bill was introduced into the Maryland legislature to create the municipality known as the Town of Kensington. The Town's governance is through a Mayor and four Town Councilmen a procedure continued through today.

Following the incorporation of the Town of Kensington work started to maintain the muddy streets with planks and oyster shells. Oil Lamps were installed followed by the first brick sidewalks. Cinders replaced the boards and oyster shells in the 1920s and by the 1930s the streets were paved. During these early days wind mills located at most of the properties facilitated hand pumping of well water into individual reservoirs located in the attics of Town buildings for household and business use. Wells and pumps were installed at all properties during the early days of World War I that was followed by a sewer system and in 1922 the Washington Suburban Sanitary Commission took over control of the sanitary system. By the end of World War II the Town's infrastructure was completed. The Town's government maintains and improves its streets, sidewalks, lighting, parks, and municipal buildings.

Kensington, located in Montgomery County, is 6.5 km (4 miles) north of the District of Columbia frontier at Connecticut Avenue. Throughout its history, Kensington has retained the charm of a turn-of-the-20th century Victorian community and transportation hub. Its commercial district, representing about a third of its land area features more than 300 businesses, a large number specializing in antiques.

For more information about Kensington's history and its historic district, look to the links on the right of this page.

Reference: Townsend, Wilson, L., Knowles Station and The Town of Kensington 1870-1963, Montgomery County Historical Society, 1963.

#### MARKET CONDITIONS

#### The Current State Of The Washington Area Economy

Volume XVII, Number 5, June 2007

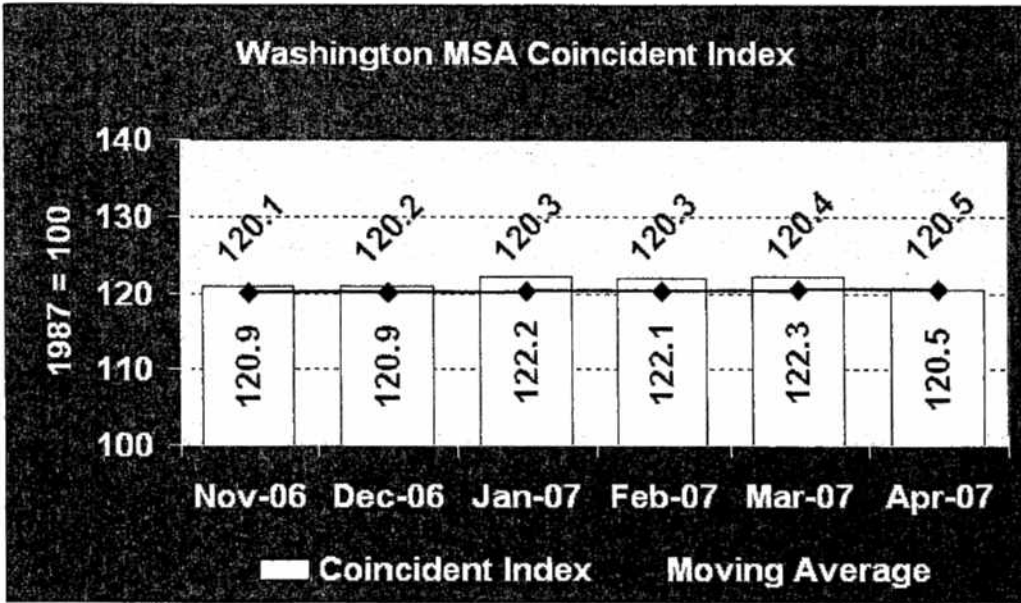
(April 2007 Data)

#### Economic Growth Slowed In April And The Leading Indicators Weaker

The **Washington Coincident Index**, which represents the current state of the metropolitan area economy, decreased in April to 120.5 for a loss of 1.43 percent. This was the Index's greatest month-to-month decline since August 2006. However, on a monthly over-the-year basis, the Index was higher (0.60%) compared to its same-month level in April 2006. Since the Index turned positive 41 months ago, it has been up in 34 months with five of its seven decreases occurring from May to September in 2006 reflecting the impact of rapidly changing gasoline prices on the local economy. February's decline was in part explained by the return of winter weather following a warmer January than normal and some weather effected spending shifts. In April, three of the Index's four components contributed to its decrease.

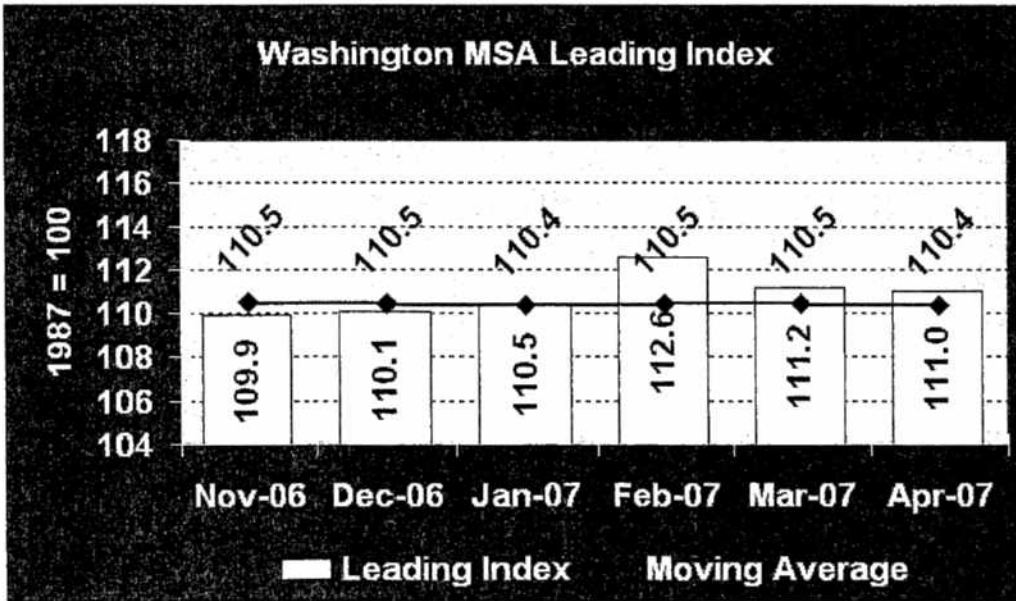
- Domestic passenger volume at Reagan National and Dulles Airports decreased in April for the second time in three months;
- Nondurable goods retail sales fell for the third consecutive month; and,
- Consumer confidence (in the present) decreased for the fourth time in five months; while,
- Wage and salary employment increased for the sixth time in seven months.

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The **Washington Leading Index**, which is designed to forecast the performance of the metropolitan area economy six to eight months in advance, decreased in March to 111.0 for a loss of 0.14 percent. This decrease was its second in a row following three monthly gains. The Index's trend has flattened over the past year and is now trending lower. On a monthly over-the-year basis, the Index also declined losing by 0.66 percent from its April 2006 level. This is the Index's fifth monthly over-the-year decrease in six months. Since turning positive in May 2003, the Index has been up in 35 months and down in 13. In April, two of the Index's five components contributed to its decline.

- The Help Wanted Index decreased for the second time in three months; and,
- Total residential building permits fell following three strong monthly gains; while,
- Durable goods retail sales increased from March's sharp decline;
- Initial claims for unemployment insurance decreased (improved) for the second time in three months; and,
- Consumer expectations (consumer confidence six months hence) increased after declining sharply in March.



The Washington area economy, which registered its strongest growth rate in 2004, has continued to slow each year since and this trend has continued into 2007. This slowdown has been particularly evident in the track of the Coincident Index since the spring of 2006 when a sharp rise in energy prices and decrease in consumer confidence undermined the expansion for six months. This pattern of slower growth has been extended to the present time by decreased residential construction and gasoline price increases that began in January. The

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principal result is slower consumer spending. One important positive indicator of the local economy's underlying strength is the continuing and even accelerating job growth.

The Leading Index has been negative on a month-to-month basis seven times over the last year and, on a monthly over-the-year basis, it has been down eight times in twelve months. This slow down has not been substantial with a monthly average decrease of 0.61 percent while its four monthly gains have averaged 0.74 percent. As a result, the Index's trend over the past year has been only slightly negative. Still, it is pointing to slower growth going forward and this pattern will continue until residential construction returns to its normal pattern which is expected to occur by spring of 2008.

#### Current Performance

The good news is that the Washington metropolitan area is still generating net new jobs at an above-projected rate. For the April-to-April period, the Washington area added 53,600 jobs while the unemployment rate fell to 2.8 percent. The number of area residents who held jobs in April also increased, rising 49,200 from April 2006. These new resident workers reflect population growth and increased labor force participation rates. The strength of the area's labor market is further confirmed by the decline in initial claims for unemployment insurance. The bad news regarding the labor market is that the scarcity of qualified workers may be limiting the region's growth. With job growth exceeding the availability of resident workers and unemployment the lowest it has been since 2001 (it was also 2.8% in December 2005), the economy is increasingly dependent on non-residents to fill its new jobs.

The cost and availability of housing compounds this problem. This is not the first time that the consequences of an economic expansion have led to its slowdown. A tight labor market and rising housing prices in 1999 and 2000 generated labor shortages and fueled wage inflation. These same conditions exist today and can be expected to dampen the economy's growth over the remainder of this business cycle.

The 50% increase in gasoline prices this year and the slowdown in new residential construction have sapped the strength of the local economy just as these two conditions have been a drag on the national economy during the first five months of 2007. Additionally, interest rates have moved up slightly with the most profound impact seen in the half point increase in mortgage rates. The increase in interest rates and the tightening of qualifications for mortgage loans (following the sub-prime loan scare) have further reduced housing sales and will add to the time that will be required to draw the excess inventory down to an equilibrium level and result in pushing the housing market recovery into 2008.

These negative forces that have dragged the economy lower have shown up in lower consumer confidence and weaker spending, although retail sales were stronger in April than had been expected. Over the year, however, the small gain in nondurable retail sales reflects the growth of population and not any increase in per capita spending while the small decrease in durable goods retail sales can be largely blamed on both (1) slower housing sales that have led to slower sales of furniture, appliances and home furnishings and (2) weak automobile sales. Consumers appear capable of increased spending (more jobs and income) once they come to grips with their anxieties (consumer confidence in the presence increase in May while expectations weakened) and with an easing of gasoline prices. Gasoline prices fell slightly in May but are not expected to fall back to

#### Near-Term Outlook

With the region's principal economic driver—federal spending—no longer growing sufficiently fast to off set the economy's under-performing sectors, the performance of the area's economy over the remainder of the year will be determined by the speed at which the housing market equalizes (inventories are decreasing) and energy prices decrease freeing up consumer spending for non-necessities. The Leading Index has been trading water for the last year and is not pointing to renewed growth any time soon.

As inventory problems take time to correct, and this is the nature of the housing and energy problems, there will be no quick fix for the economy over the summer. Energy prices will correct sooner than the housing market. As refineries that have been shut down for repairs come back on line and demand subsides after Labor Day, gasoline prices will fall and consumer spending will increase. This should propel the economy higher over the third quarter. The housing market should also show renewed strength during the third quarter following its normal seasonal pattern, although this strength may be dampened by interest rates that with fees will be hovering around 7% for 30-year fixed rate mortgages.

The Washington area economy is fundamentally strong and resilient. With its federal spending base, job growth and increasing incomes, the local economy will survive these current threats. And, as the housing market normalizes—average resale housing prices have increased at the rate of 2% over the year's first five months—and gasoline prices fall back, the economy's underlying strength will drive it higher by the end of the year setting up a stronger outlook for 2008.

#### • Sales Comparison Analysis - Summary of Sales Comparison Approach

The address 3914 Baltimore Street consists of lots 28, 29 and 30. The current improvement appears to be situated on lots 29 and 30. Lot 28 is currently paved as a driveway. This report estimates the value of lot 28 based on the hypothetical assumption that it is buildable separately from lots 29 and 30.

After reviewing recent sales, the appraiser has utilized two comparable sales which occurred more than six months prior to date of the appraisal. This is based on the appraiser's judgement that these sales were among the most comparable to the Subject property considering factors of location and the size, "effective" age, conditions, style and features of the improvements. Also, the Principle of Proximity states that location takes precedence over time in a stable or increasing market. Therefore, the utilization of comparable sales occurring more than six months prior to the date of the appraisal does

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not impact the quality of the value estimate. All comparable sales fall within the FNMA 12 month guideline.

All comparable properties utilized in this report were sold with a improvement in tear down condition and were considered land sales.

The sales were chosen for the overall compatibility in most areas of comparison are the most similar comparable sales available from an extensive search of data. All comparable sales are within the subject's market area.

#### Land : Site Comments

Appraiser cannot guarantee that property is free of encroachments or easements. and recommends further investigation and survey.

Appraisers conclusion of value is based upon the assumption that there are no hidden or unapparent conditions of the property that might impact upon buildability. Appraiser recommends due diligence be conducted through the local building department or municipality to to investigate buildability and whether property is suitable for intended use. Appraiser makes no representations, guarantees or Warranties.

#### • Land : Cost Approach Comments

The Cost Approach is not considered a applicable.

#### • Land : Comments on Income Approach

The Income Approach has not been utilized in this appraisal. Because it has a relatively low degree of reliability in regard to the valuation of the subject property. The Subject property is located in a neighborhood where the majority of residences are owner occupied and the relationship between rents and sales prices is difficult to establish.

#### Final Reconciliation

Primary emphasis has been placed upon the Sales Comparison analysis as a result of the reliability of data. The Cost Approach does not offer reasonable substantiation. Due to insufficient market data to establish a reliable GRM, the Income Approach was not utilized.

All comparable sales are located within close proximity to the Subject, and have settled within the past 12 months. The comparable sales were considered to be similar to the subject in terms of construction, quality, appeal and "effective" age.

All comparable sales were considered when coming to a final estimate of value. However, most reliance was placed on comparable sale two because it is most comparable to the subject in size. The comparable sales closely bracket the Subject's indicated market value. In addition to the sales utilized in the report, the appraiser researched and analyzed other settled sales in the Subject's neighborhood.

#### **Special notes:**

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

1. Any digital photographs submitted with this appraisal report have not been altered in any way. Due to difficulties with digital imaging (light, wooded site, large site, etc.) some pictures may be taken from MRIS.
2. The statements of fact contained in this report are true and correct.
3. I certify that, to the best of my knowledge and belief, the reported analysis, opinions and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute.
4. I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to the review by its duly authorized representatives.
5. As of the date of this report, Stephen A. Rochkind, SRA, has completed the requirements of the continuing education program of the Appraisal Institute.

This report, its assumptions, conclusions and estimated values are predicated on and limited to the unique and specific set of economic variables which existed in the national, regional, local and neighborhood markets as of the date of inspection. The estimated values and conclusions contained in this report are limited to the economic context "as-of the date of inspection" with regard to variables including, but not limited to; mortgage and other interest rates, absorption rates, capitalization rates, discount rates and vacancy rates. Changing economic conditions would necessarily change the assumptions, judgements and conclusions contained herein and therefore invalidate the report out of the exact economic context existent as of the date of inspection.

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Lender	Lerch, Early & Brewer, Chtd.				

**Stephen Rochkind, SRA**

**AREA APPRAISAL SERVICES, INC. 1993 TO PRESENT**

President of company. Top 10 Real estate appraisal companies in Washington. Appraisals of single family residences, condominiums and small residential income properties. Expert witness testimony and estate work. REO, Divorce, Probate and Bankruptcy.

**CHEVY CHASE FSB, 1992 - 1993**

Appraisals of single family residences, condominiums, and small residential income (multi-family) appraisals.

**FIRST UNION NATIONAL BANK, (Flagler Federal S&L) 1991 - 1992**

Appraisals of single family residences, condominiums, and small residential income (multi-family) appraisals.

**BILL EISNOR, INC., 1990 - 1992**

Appraisals of single family residences, condominiums, and small residential income (multi-family) appraisals. Specializing in court cases for Bankruptcy, Probate, RTC and Divorce.

**HARMON GARRIN & ASSOCIATES INC., 1989 - 1990**

Appraised a wide variety of residential and income property. Foreclosure and REO work for Citibank FSB and other large lenders.

**COMMUNITY EQUITES CORPORATION, 1988 - 1989**

Coordinated construction efforts between development company and general contracting firm. Performed financial analysis for future projects, including write off of tax credits and municipal bond financing. Specializing in HUD Section 8 residential income housing.

**BARTON-MALOW / J. KINSON COOK, INTERNSHIP - Summer 1988**

Barton-Malow is the fourth largest construction company in the United States. Updated progress on the construction of a 48 Million dollar high-rise.

**LEONI DEVELOPMENT, INTERNSHIP - Summer 1987**

Assisted with the leasing activities of commercial real estate held by the development corporation. Overlooked the daily construction of a residential apartment complex. Supervised the rehab of a historic property.

**EDUCATION**

FLORIDA STATE UNIVERSITY, The College of Business.

\* Majors: Real Estate and Finance

**REAL ESTATE BACKGROUND**

STATE CERTIFIED RESIDENTIAL APPRAISER

Maryland  
Washington DC  
Virginia

**APPRAISAL RELATED COURSES, given by The Appraisal Institute.**

Completed: Real Estate Appraisal Principles Exam 1A1  
Basic Valuation Procedures Exam 1A2  
Standards and Practices A&B  
Real Estate Valuation SRA 102  
USPAP 15 hr

- \* Maryland 03-4176
- \* Washington DC CR11015
- \* Virginia 4001-003025
- \* FHA Direct Endorsement

**Seminars & Classes:**

Troubled Real Estate Real Estate Principles Real Estate Finance  
Foreclosure in Maryland Real Estate Law Construction Methods and Materials  
Title Examination Real Estate Appraisal  
FHA Seminar Real Estate Feasibility  
Real Estate Market Place  
USPAP 15 hr  
Residential Construction  
Expert Witness  
USPAP Update

Robert L. Vukobratovic  
Michael R. Long  
James P. ...

LICENSE, REGISTRATION, OR CERTIFICATION

State of Maryland

DEPARTMENT OF LABOR, LICENSING AND REGULATION  
COMMISSION OF REAL ESTATE APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT

IN C. KIM

IS AN AUTHORIZED APPRAISER TRAINEE

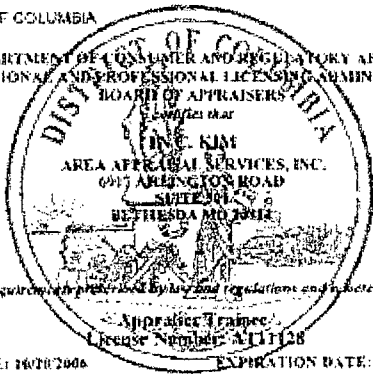
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WHEN REQUIRED BY LAW IT MUST BE CONSPICUOUSLY DISPLAYED IN OFFICE TO WHICH IT APPLIES

3353771

\*\*\* GOVERNMENT \*\*\*  
OF THE  
DISTRICT OF COLUMBIA

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
OCCUPATIONAL AND PROFESSIONAL LICENSING ADMINISTRATION  
BOARD OF APPRAISERS



has met all requirements prescribed by law and regulations and is hereby licensed as:

Appraiser Trainee  
License Number: A11128

ISSUE DATE: 10/10/2006 EXPIRATION DATE: 10/19/2010

*Robert L. Vukobratovic*

Director  
Department of Consumer and Regulatory Affairs

License Number: 3

Stephen Rochkind, SRA Licenses

Manual of Style  
Edition 10/01  
Authority of the State  
Commissioner  
Thomas E. Moran  
Secretary

LICENSE, REGISTRATION, OR CERTIFICATION

State of Maryland

DEPARTMENT OF LABOR, LICENSING AND REGULATION  
COMMISSION OF REAL APPRAISERS & HOME INSPECTORS  
CERTIFIES THAT  
STEPHEN ANDREW ROCHKIND

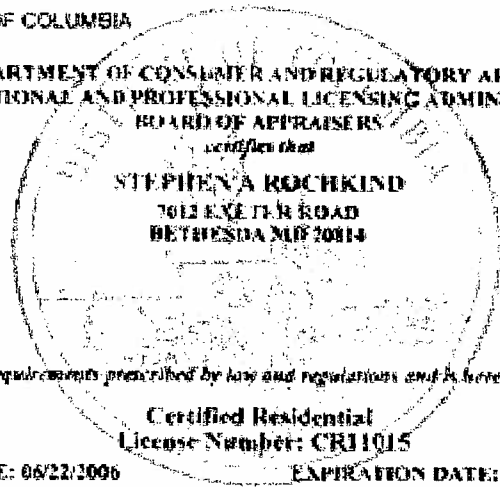
IS AN AUTHORIZED CERTIFIED RESIDENTIAL

LIC. REG. CERT. NO. 4176 EXPIRATION DATE 09-15-2010 EFFECTIVE DATE N/A CLASSIFICATION 03 LICENSE NO. 3583074

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

\*\*\* GOVERNMENT OF THE DISTRICT OF COLUMBIA

DEPARTMENT OF CONSUMER AND REGULATORY AFFAIRS  
OCCUPATIONAL AND PROFESSIONAL LICENSING ADMINISTRATION  
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has met all requirements prescribed by law and regulations and is hereby licensed as:

Certified Residential  
License Number: CR11015

ISSUE DATE: 06/22/2006 EXPIRATION DATE: 02/28/2008

*John J. ...*  
Director  
Department of Consumer and Regulatory Affairs

DEPARTMENT OF PROFESSIONAL AND OCCUPATIONAL REGULATION  
COMMONWEALTH OF VIRGINIA

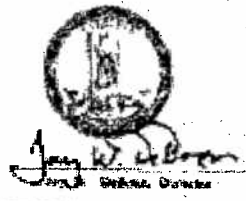
EXPIRES ON 09-30-2008

2000 West Broad Street, Richmond, VA 23220  
Telephone: 1 (804) 367-8506

NUMBER 4001 003025

REAL ESTATE APPRAISER BOARD  
CERTIFIED RESIDENTIAL REAL ESTATE APPRAISER

STEPHEN A ROCHKIND  
7012 EXETER RD  
BETHESDA MD 20814



NOTARY PUBLICS MUST SIGN AND AFFIX STAMPS TO ALL DOCUMENTS ON THESE FORMS  
Notary Publics should use only the official notary seal provided by the State of Virginia

### Subject Photo Page

Borrower/Client	N/A				
Property Address	3914 Baltimore Street Lot 28				
City	Kensington	County	Montgomery	State	MD Zip Code 20895-3906
Lender	Lerch, Early & Brewer, Chtd.				



#### Subject Front

3914 Baltimore Street Lot 28  
 Sales Price  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Kensington  
 View 8,625 SqFt  
 Site  
 Quality  
 Age



#### Subject Rear



#### Subject Street

56

### Surrounding Photos

Borrower/Client	N/A				
Property Address	3914 Baltimore Street Lot 28				
City	Kensington	County	Montgomery	State	MD Zip Code 20895-3906
Lender	Lerch, Early & Brewer, Chtd.				



**Left of Subject Property**



**Right of Subject Property**



**Across the Street from the Subject Property**

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**Comparable Photo Page**

Borrower/Client	N/A				
Property Address	3914 Baltimore Street Lot 28				
City	Kensington	County	Montgomery	State	MD Zip Code 20895-3906
Lender	Lerch, Early & Brewer, Chtd.				



**Comparable 1**

3413 Plyers Mill Road  
 Prox. to Subject 0.53 miles NE  
 Sales Price 430,000  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Kensington  
 View 7,841 SqFt  
 Site  
 Quality  
 Age



**Comparable 2**

10901 Hobson Street  
 Prox. to Subject 0.97 miles NE  
 Sales Price 600,000  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Kensington  
 View 19,206 SqFt  
 Site  
 Quality  
 Age



**Comparable 3**

10129 Crestwood Road  
 Prox. to Subject 0.80 miles W  
 Sales Price 465,000  
 Gross Living Area  
 Total Rooms  
 Total Bedrooms  
 Total Bathrooms  
 Location Kensington  
 View 7,681 SqFt  
 Site  
 Quality  
 Age

### Location Map

Borrower/Client	N/A			
Property Address	3914 Baltimore Street Lot 28			
City	Kensington	County	Montgomery	State MD Zip Code 20895-3906
Lender	Lerch, Early & Brewer, Chtd.			



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**APPRAISAL OF REAL PROPERTY**

**LOCATED AT:**

3914 Batimore Street  
Kensington, MD 20895  
Kensington Block 11 Lots 29 & 30

**FOR:**

Lerch, Early & Brewer, Chtd.  
3 Bethesda Metro Center, Suite 460  
Bethesda, MD 20814

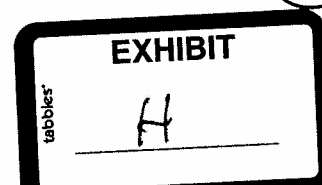
**AS OF:**

5/7/2007

**BY:**

Stephen Rockkind, SRA

**Area Appraisal Services, Inc**





## AREA APPRAISAL SERVICES

*Stephen Rochkind, SRA*

February 1, 2011

Eric Core Esq.  
Lerch, Early & Brewer, Chtd.  
3 Bethesda Metro  
Suite 460  
Bethesda, MD 20814

RE: 3914 Baltimore Street  
Kensington, MD 20895

Dear Mr. Core,

The original appraisal report value is being reconsidered. This is due to the Montgomery County Historical Preservation Commission denying a demolition permit to the structure. Although, the structure has been extensively damaged in a fire, they are denying the permit for demolition. Furthermore, two deaths resulted in the fire.

The structural engineer, Hans Stamberg, is giving three options in his report dated April 28, 2010 (SCI No: 2009.017). The appraiser believes that the third option, demolishing the structure, would be the most economically feasible. However, this appears not to be a legal option. The two other options are not financially feasible. Should the county not yield the entire property may be a complete economic loss?

The appraiser made an assumption that the home was beyond repair in the earlier appraisal report. The home had substantial structural damage. In the appraiser's opinion the home should be demolished from a highest and best use analysis. However, the Montgomery County Historical Preservation Commission will not grant a demolition permit. The cost of this reconstruction of the existing structure will be approximately \$849,500 to \$978,000.

Structural Engineers Stamberg's Option 2: Reflects the construction cost to save as much of the front and east exterior walls as possible. Then removing the rest of the house and re-build using a new interior design and adding 350 square feet to the first and second floor (700 square feet total) using modern building products and methods.

Most of the surrounding homes are now 3,000 square feet and larger. To re-build a 2,500 square feet home would underutilize the land, which is considered a functional in-adequacy. The cost for 3,200 SF is \$849,430.

The county is requiring that the property be reconstructed to its pre-fire condition. Furthermore, they are requiring public hearing on any substantial new construction outside of its pre-fire building foot print.

The subject is also located within the Town of Kensington, and a town permit will be required.

- Setback issues may become an issue more restrictive than typical R60 requirements.
- 3-6 months to get this approved, which will also have a negative effect on a price that a builder would be willing to pay.

Furthermore, rebuilding this property will also be a negative factor due to the deaths from the fire. Many potential purchasers would not want to purchase a rebuilt home that had two deaths.


These circumstances are similar to a denial of a building permit in Somerset (Chevy Chase Maryland). The Wiley-Ringland House was built in 1893 and had a fire in 1978. The owner boarded-up the house and moved away. The home sat empty for approximately 11 years before a young couple purchased the shell and reconstructed the residence. The actual construction took place in 2001-2002. The market value of this Chevy Chase home (fire damaged shell) was approximately 30% under market.

The new appraised value of lots 29 and 30 is \$470,000 as of May 7, 2007. The appraiser is reserving the right to amend this value pending the outcome of the legal proceedings regarding the demolition permit.

\$470,000

---

Sincerely,



Stephen Rochkind, SRA  
Area Appraisal Services, Inc.

<b>Client:</b>	Lerch, Early & Brewer, Chtd.	<b>Client File #:</b>	Reynolds case
<b>Subject Property:</b>	3914 Batimore Street, Kensington, MD 20895	<b>Appraisal File #:</b>	80036 Part B

**STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS**

This appraisal is subject to the following assumptions and limiting conditions:

- This report is prepared using forms developed and copyrighted by the Appraisal Institute. However, the content, analyses, and opinions set forth in this report are the sole product of the appraiser. The Appraisal Institute is not liable for any of the content, analyses, or opinions set forth herein.
- No responsibility is assumed for matters legal in character or nature. No opinion is rendered as to title, which is assumed to be good and marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, having responsible ownership and competent management.
- I have examined the property described herein exclusively for the purposes of identification and description of the real property. The objective of our data collection is to develop an opinion of the highest and best use of the subject property and make meaningful comparisons in the valuation of the property. The appraiser's observations and reporting of the subject improvements are for the appraisal process and valuation purposes only and should not be considered as a warranty of any component of the property. This appraisal assumes (unless otherwise specifically stated) that the subject is structurally sound and all components are in working condition.
- I will not be required to give testimony or appear in court because of having made an appraisal of the property in question, unless specific arrangements to do so have been made in advance, or as otherwise required by law.
- I have noted in this appraisal report any significant adverse conditions (such as needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) discovered during the data collection process in performing the appraisal. Unless otherwise stated in this appraisal report, we have 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 have assumed that there are no such conditions and make no guarantees or warranties, express or implied. We 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 I am not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable public and/or private sources that I believe to be true and correct.
- I will not disclose the contents of this appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice, and/or applicable federal, state or local laws.
- The Client is the party or parties who engage an appraiser (by employment or contract) in a specific assignment. A party receiving a copy of this report from the client does not, as a consequence, become a party to the appraiser-client relationship. Any person who receives a copy of this appraisal report as a consequence of disclosure requirements that apply to an appraiser's client, does not become an intended user of this report unless the client specifically identified them 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 other media.
- A true and complete copy of this report contains \_\_\_\_ pages including exhibits which are considered an integral part of the report. The appraisal report may not be properly understood without access to the entire report.
- If this valuation conclusion is subject to satisfactory completion, repairs, or alterations, it is assumed that the improvements will be completed competently and without significant deviation.

**VALUE DEFINITION**
 **Market Value Definition (below)**
 **Alternate Value Definition (attached)**

MARKET VALUE is defined as 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.

Source: *The Dictionary of Real Estate Appraisal*, 4th ed., Appraisal Institute

\* **NOTICE:** The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

Client:	Lerch, Early & Brewer, Chtd.	Client File #:	Reynolds case
Subject Property:	3914 Batimore Street, Kensington, MD 20895	Appraisal File #:	80036 Part B

**APPRAISER 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 reported analysis, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased professional analysis, opinions, and conclusions.
- I have no present (unless specified below) or prospective interest in the property that is the subject of this report, and I have no (unless specified below) personal interest with respect to the parties involved.
- I have no bias with respect to any 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 the 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 use of this appraisal.
- My analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
- Individuals who have provided significant real property appraisal assistance are named below. The specific tasks performed by those named are outlined in the Scope of Work section of this report.

None      Name(s) In C. Kim

As previously identified in the Scope Of Work section of this report, the signer(s) of this report certify to the inspection of the property that is the subject of this report as follows:

Property inspected by Appraiser      Yes      No

Property inspected by Co-Appraiser      Yes      No

This is an update of value from main file number 80036.

**ADDITIONAL CERTIFICATION FOR APPRAISAL INSTITUTE MEMBERS**

**Appraisal Institute Member Certify:**

- The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

**Designated Appraisal Institute Member Certify:**

- As of the date of this report, I  have /  have not completed the continuing education program of the Appraisal Institute.

**Designated Appraisal Institute Member Certify:**

- As of the date of this report, I  have /  have not completed the continuing education program of the Appraisal Institute.

**APPRAISER:**

Signature *Stephen Rochkind*  
 Name Stephen Rochkind, SRA  
 Report Date 1/31/2011  
 Trainee  Licensed  Certified Residential  Certified General   
 License # 03-4176 State MD  
 Expiration Date 9/15/2013

**CO-APPRAISER:**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Report Date \_\_\_\_\_  
 Trainee  Licensed  Certified Residential  Certified General   
 License # \_\_\_\_\_ State \_\_\_\_\_  
 Expiration Date \_\_\_\_\_

\* NOTICE: The Appraisal Institute publishes this form for use by appraisers where the appraiser deems use of the form appropriate. Depending on the assignment, the appraiser may need to provide additional data, analysis and work product not called for in this form. The Appraisal Institute plays no role in completing the form and disclaims any responsibility for the data, analysis or any other work product provided by the individual appraiser(s).

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at  
**Stephen Rochkind, SRA - License**

Martin O'Malley  
Governor

Anthony G. Brown  
Lt. Governor

Alexander M. Sanchez  
Secretary

*Handwritten initials*

LICENSE, REGISTRATION, OR CERTIFICATION

*State of Maryland*

**DEPARTMENT OF LABOR, LICENSING AND REGULATION**  
COMMISSION OF RE APPRAISERS & HOME INSPECTORS

CERTIFIES THAT  
**STEPHEN ANDREW ROCHKIND**

IS AN AUTHORIZED **CERTIFIED RESIDENTIAL**

LIC. REG. CERT. NO  
4176

EXPIRATION DATE  
09-15-2013

EFFECTIVE DATE  
08-08-2010

CATEGORY  
03

**4015915**

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

### Qualifications of Appraiser - Page 3

Program	Date	Location	Type	Hrs. Attn	Hrs. Exam
USPAP Update 2003 - Standards and Ethics for Professionals	11/12/2003	Holiday Inn Tyson's Corner McLean, VA	Standard	7.0	0.0
Washington D.C. Summit	09/29-30/2003	Court Hotel on Capital Hill Washington, DC	Standard	13.5	0.0
Evaluating Residential Construction	09/12/2003	Tysons Corner McLean, VA	Standard	8.0	0.0
Standards of Prof. Practice, Part C	09/11-12/2000	Manassas Courtyard Marriott Manassas, VA	Standard	15.0	1.0
Online Appraising From Blueprints and Specifications	06/15-07/15/2000	On-Line Seminar Chicago, IL	Less than 90%	7.0	0.0
FHA and the Appraisal Process	08/18/1999	Sheraton National Washington, DC	Standard	7.0	0.0
Appraisal Office Management	05/08/1998	Greater Capital Area Association of Realtors Rockville, MD	Standard	7.0	0.0
Tomorrow's Appraiser	10/18/1996	The (voluntary) Bar Assoc. of D.C. Washington, DC	Standard	4.0	0.0
Internet and Appraising	07/13/1996	Meadowlands Hilton Secaucus, NJ	Standard	7.0	0.0
The High-Tech Appraisal Office	07/12/1996	Meadowlands Hilton Secaucus, NJ	Standard	7.0	0.0
Standards of Prof. Practice, Part B	05/15-16/1992	Sheraton Design Center Ft. Lauderdale, FL	Standard	10.0	1.0
Standards of Prof. Practice, Part A	05/13-14/1992	Sheraton Design Center Ft. Lauderdale, FL	Standard	15.0	1.0
Applied Residential Property Valuation	05/14-06/30/1990	Radisson Mart Plaza Hotel Miami, FL	Standard	0.0	0.0
Professional Practice	11/17/1989	Radisson Mart Plaza Hotel Miami, FL	Standard	7.0	0.0
R.E. Appraisal Principles	01/14/1988	Florida State University Tallahassee, FL	Standard	36.0	3.0
Basic Valuation Procedures	01/14/1988	Florida State University Tallahassee, FL	Standard	36.0	4.0

## Qualifications of Appraiser - Page 2



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## Education Transcript

Stephen A. Rochkind, SRA  
Area Appraisal Services, Inc.  
4865-A Cordell Avenue  
Bethesda, MD 20814

Program	Date	Location	Type	Hrs. Attn	Hrs. Exam
REO Appraisal: Appraisal of Residential Property Foreclosure	09/05/2008	Universities at Shady Grove Rockville, MD	Standard	7.0	0.0
Appraising the Tough Ones	08/22/2008	Johns Hopkins Downtown Center Baltimore, MD	Standard	7.0	0.0
Convincing Residential Appraisals	08/21/2008	Johns Hopkins Downtown Center Baltimore, MD	Standard	4.0	0.0
AI Reports (tm) AI-100 Summary Appraisal Report Residential	08/21/2008	Johns Hopkins Downtown Center Baltimore, MD	Standard	3.5	0.0
15-Hour National USPAP Course	07/29-30/2008	Johns Hopkins Downtown Center Baltimore, MD	Standard	14.0	1.0
7-Hour National USPAP Update Course	02/18/2008	Holiday Inn Laurel - West Laurel, MD	Standard	7.0	0.0
Online Internet Search Strategies for R.E. Appraisers	07/15-08/14/2007	On-Line Seminar Chicago, IL	Standard	7.0	0.0
7-Hour National USPAP Update Course	09/12/2006	Prince William Association of Realtors Manassas, VA	Standard	7.0	0.0
Residential Trend Watch Seminar	04/03/2006	Maritime Institute of Technology MD	Standard	6.0	0.0
Online Cool Tools: New Technology for Real Estate Appraisers	01/15-02/14/2006	On-Line Seminar Chicago, IL	Standard	7.0	0.0
Online Business Practices and Ethics	12/15/2005 - 01/14/06	On-Line Seminar Chicago, IL	Standard	8.0	0.0
Partial Interest Valuation - Undivided	12/13/2005	Johns Hopkins Downtown Center Baltimore, MD	Standard	7.0	0.0
Partial Interest Valuation - Divided	12/12/2005	Johns Hopkins Downtown Center Baltimore, MD	Standard	7.0	0.0
Convincing Residential Appraisals	02/22/2005	Johns Hopkins Downtown Center Baltimore, MD	Standard	4.0	0.0
HUD Single Family Fraud Seminar	09/28/2004	Washington, DC	Standard	2.0	0.0
15-Hour National USPAP Course	07/16-17/2004	Johns Hopkins Downtown Center Baltimore, MD	Standard	14.0	1.0

**Qualifications of Appraiser - Page 1****MEMBER PROFILE****Stephen A. Rochkind, SRA**[www.areappraisal.com](http://www.areappraisal.com)

President

Area Appraisal Services, Inc.

4865-A Cordell Avenue

Bethesda, MD 20814

(301) 215-7567

Fax: (301) 215-7568

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Home: (301) 215-7396

[steve@areappraisal.com](mailto:steve@areappraisal.com)

Accepts Fee Assignments

**Primary Market Area**

Washington DC Metropolitan area - Including Northern Virginia and Suburban Maryland, Montgomery, Prince George, Howard, Frederick, Fairfax, City of Alexandria, District of Columbia, Arlington

**Secondary Market Area**

VA: Loudoun, Prince William; MD: Anne Arundel

**Primary Practice Focus**

Residential real estate, 2-4 family properties, Mortgage, and legal work, Life estates, Partial Interest Valuation, Stigmatized Real Estate - Expert Witness - Qualified in court in Montgomery and Fairfax VA, Divorce, Estate.

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**Property Types****Residential**

Condo, Multi-Family Project (Townhouse, Condo, Etc) • Co-Op • Farmette (Lifestyle farm, Hobby farm) • High End Residential • Multi-family (2-4 units) • Ranchette (Hobby) • Single Family Appraisal (Conventional, Other) • Single Family Appraisal (FHA) • Single Family Appraisal (Relocation)

**Land**

Acreage (Residential) • Coastal / Lakeshore, Riverfront, Other Waterfront • Land, Urban • Subdivided Land / Lot (Residential)

**Ownership Forms**

Fee Simple Interest • Life Estate • Partial Interest

**Other Professional Affiliations/Designations**

Employee Relocation Council (ERC)

**Formal Education**

B.S. with double majors: Real Estate and Finance, Florida State University 1988

ate

opi



STRUCTURAL ENGINEERING  
INVESTIGATIONS  
BUILDING INSPECTIONS

April 28, 2010

Mr. Dave Reynolds  
11779 Rowe Court  
Monrovia, MD 21770

Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
SCI No: 2009.017

Dear Mr. Reynolds,

On April 28, 2009 and April 15, 2010 a representative of Structural Concepts, Inc. visited the above referenced project to evaluate the structural damage of the home that resulted from a fire. The home is a two story home with a full basement and attic space that was constructed in the later half of the 1800's. The fire started in the first floor kitchen located in the North West corner of the home and spread to the upper level, the roof and adjacent rooms.



A visual assessment of the extent of fire damage was made on site. Approximately 40% of the home below the roof level including the first and second floor joists, exterior and interior wall studs, the stairways, ceiling joists, subfloors and siding boards are heavily damaged and were in direct contact with the most intense heat of the fire. A majority of the roof framing and roof boards are damaged or completely missing. It is likely that more than the visible 40% of the charred area of the structure below the roof is damaged since many of the structural elements away from or adjacent to the North West corner of the home were still covered with finishes and could not be seen. Fire can travel along wood members in the walls and ceilings resulting in damage extending away from the source with out obviously damage to the finishes. It is likely that there are fire damaged areas below the roof in addition to the 40% of the home where heavy damage is currently visible.



Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
SCI No: 2009.017

The current condition of the home is dangerous and a partial or complete collapse of the home is possible. Most of the interior finishes are damaged from the fire or the water damage resulting from the fire. All of the interior finishes will need to be removed to determine the full extent of the structural damage. There could also be areas of mold in the home due to the roof damage and water used to extinguish the fire that will need to be identified and mitigated. Another health consideration will be to remove soot on all elements of the home that could remain.

According to the International Existing Building Code 2006 (IEBC 2006) the home has suffered "*substantial structural damage*" (see attached code definition). This level of damage requires the structure to be evaluated by a registered design professional to determine if the pre-damaged state would comply with the gravity and lateral loading provisions of the current International Residential Code 2006 (IRC 2006). If the evaluation does not establish compliance the entire structure shall be rehabilitated to comply with the provisions of the current codes. See the attached section 506.2 of IEBC 2006 for structural damage repair requirements. SCI is a registered professional structural engineering firm capable of performing the code required evaluation of the home.

This home was constructed in an era with minimal or no building codes. The capacity of the gravity support systems (studs, joists, rafters, headers, jambs and stair supports) of the home will need to be calculated to determine if they comply with the current codes. It can be determined from a visual inspection that many of the headers and jamb studs used for the exterior window and door openings will not provide the capacity required by current codes and would need to be reinforced or replaced. From our experience with historic properties there are likely other framing elements that do not have the capacity to support the gravity loading required by current building codes and would need to be reinforced or replaced.

Homes in this era were constructed using siding, floor and roof boards below the finishes that provide minimal lateral stiffness. A preliminary evaluation of the existing exterior wall lateral load capacity is less than required by current codes and the walls will need to be braced in a manner that complies with the current codes. Section R602.10 of IRC 2006 shows eight possible methods and requirements of wall bracing. The methods shown in the code require the braced panel of the wall to be a minimum of 48 inches long. Sections R602.10.11.1, R602.10.11.2 and table R602.10.1 require that exterior braced wall lines have a minimum 48 inch wide braced wall panel at each end with no more than a 25 foot spacing between panels but not less than 16% of the wall line shall be braced.

There is not adequate spacing between the existing windows along the South and East walls that will meet the IRC 2006 braced wall length requirements and the existing sheathing boards do not provide the adequate bracing required by code. The size and location of some windows will need to be changed for these walls to meet the geometry of the braced wall requirements. Bracing methods 2 through 8 in section R602.10.3 would all require the removal of the existing exterior boards and siding to install the sheathing for the brace wall panels. Method 1 requires a 1x4 brace to be "let in" or notched into the studs and the top and bottom wall plates. This

Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
SCI No: 2009.017

method will not work because the notch required in the studs is larger than the notch permitted by the American Forest and Paper Association's National Design Specification for Wood Construction. In addition to removing the fire damaged siding many undamaged areas of the siding will need to be removed to install the code required braced panels resulting in a majority of the existing siding to be removed.

The following is a partial list of items required to repair the home, all items will need to comply with current codes:

1. A registered engineer's evaluation and repair/rebuild details (see IEBC 2006 506.2, 506.2.2.1).
2. The heavily damaged North West corner of the home will need to be demolished and rebuilt with new materials that comply with current codes. The partial demolition of the home can be dangerous for workers due to the unpredictable nature of a damaged structure. Extensive shoring of the floors and walls will need to be installed for safety purposes before demolition can begin.
3. The remaining portion of the home will need to be gutted to remove the damaged interior and exterior finishes, mitigate any mold found and expose hidden structural damage. All damaged structural members uncovered will need to be repaired or replaced. All remaining elements will have to have all soot properly removed.
4. Any existing undamaged structural elements and connections that do not comply with the current code will need to be reinforced or replaced.
5. The roof will need to be reconstructed with new materials.
6. Rearrangement of window locations and sizes and removal of exterior siding to provide the exterior walls with the lateral stiffness required by the current codes.
7. All of the mechanical, electrical and plumbing systems of the home will need to be replaced.
8. All removed interior and exterior finishes will need to be replaced including any required insulation.

Once all the interior finishes are removed, a majority of the exterior siding and sheathing boards are removed and the heavily damaged roof is removed the only salvageable elements from the existing home would be approximately 50% of the wall studs and floor joists and all of the foundations. Some of the salvaged framing could require reinforcement or replacement to comply with the current codes. Selective demolition along with repairs to the remaining existing structural shell would be expensive to implement. It is our opinion that a complete demolition of the home and building a new home would be more cost effective than repairing the existing home. The restoration of the existing home would effectively be a new home built around half of the original wall studs and joists.

at

pp

Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
SCI No: 2009.017

If the home were to be reconstructed extensive shoring would need to be installed to support all of the floor levels and many walls to create a safe demolition working environment. The North West corner would need to be completely demolished and rebuild. A majority of the remaining exterior finishes would need to be removed along with changing the location and size of the windows for the lateral bracing requirements. All of the interior finishes would need to be removed and replaced. All of the salvageable structural framing members would be concealed by new interior and exterior finishes. These new and modern finishes would be the only elements of the home that would be visible from inside or outside of the home and the reconstructed home would look nearly identical to a newly constructed home.

SCI's scope of service is limited to a visual inspection of the above referenced structure. A structural condition is hidden if concealed by existing finishes or is not capable of investigation by reasonable visual observation. SCI is not responsible for hidden conditions as defined herein. The client is responsible for all risks associated with these hidden conditions. SCI shall not be responsible for the existing hidden conditions nor any resulting damages to persons or property.

Please contact our office with any questions you may have regarding these issues.

Sincerely,

Hans Stamberg, P.E.  
Project Engineer

Jody A. Fox, P.E.  
President

April 28, 2010

Mr. Dave Reynolds  
11779 Rowe Court  
Monrovia, MD 21770

Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
SCI No: 2009.017

Dear Mr. Reynolds,

On April 28, 2009 and April 15, 2010 a representative of Structural Concepts, Inc. visited the above referenced project to evaluate the structural damage of the home that resulted from a fire. The home is a two story home with a full basement and attic space that was constructed in the later half of the 1800's. The fire started in the first floor kitchen located in the North West corner of the home and spread to the upper level, the roof and adjacent rooms.



A visual assessment of the extent of fire damage was made on site. Approximately 40% of the home below the roof level including the first and second floor joists, exterior and interior wall studs, the stairways, ceiling joists, subfloors and siding boards are heavily damaged and were in direct contact with the most intense heat of the fire. A majority of the roof framing and roof boards are damaged or completely missing. It is likely that more than the visible 40% of the charred area of the structure below the roof is damaged since many of the structural elements away from or adjacent to the North West corner of the home were still covered with finishes and could not be seen. Fire can travel along wood members in the walls and ceilings resulting in damage extending away from the source with out obviously damage to the finishes. It is likely that there are fire damaged areas below the roof in addition to the 40% of the home where heavy damage is currently visible.



Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
Kensington, MD  
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The current condition of the home is dangerous and a partial or complete collapse of the home is possible. Most of the interior finishes are damaged from the fire or the water damage resulting from the fire. All of the interior finishes will need to be removed to determine the full extent of the structural damage. There could also be areas of mold in the home due to the roof damage and water used to extinguish the fire that will need to be identified and mitigated. Another health consideration will be to remove soot on all elements of the home that could remain.

According to the International Existing Building Code 2006 (IEBC 2006) the home has suffered "*substantial structural damage*" (see attached code definition). This level of damage requires the structure to be evaluated by a registered design professional to determine if the pre-damaged state would comply with the gravity and lateral loading provisions of the current International Residential Code 2006 (IRC 2006). If the evaluation does not establish compliance the entire structure shall be rehabilitated to comply with the provisions of the current codes. See the attached section 506.2 of IEBC 2006 for structural damage repair requirements. SCI is a registered professional structural engineering firm capable of performing the code required evaluation of the home.

This home was constructed in an era with minimal or no building codes. The capacity of the gravity support systems (studs, joists, rafters, headers, jambs and stair supports) of the home will need to be calculated to determine if they comply with the current codes. It can be determined from a visual inspection that many of the headers and jamb studs used for the exterior window and door openings will not provide the capacity required by current codes and would need to be reinforced or replaced. From our experience with historic properties there are likely other framing elements that do not have the capacity to support the gravity loading required by current building codes and would need to be reinforced or replaced.

Homes in this era were constructed using siding, floor and roof boards below the finishes that provide minimal lateral stiffness. A preliminary evaluation of the existing exterior wall lateral load capacity is less than required by current codes and the walls will need to be braced in a manner that complies with the current codes. Section R602.10 of IRC 2006 shows eight possible methods and requirements of wall bracing. The methods shown in the code require the braced panel of the wall to be a minimum of 48 inches long. Sections R602.10.11.1, R602.10.11.2 and table R602.10.1 require that exterior braced wall lines have a minimum 48 inch wide braced wall panel at each end with no more that a 25 foot spacing between panels but not less than 16% of the wall line shall be braced.

There is not adequate spacing between the existing windows along the South and East walls that will meet the IRC 2006 braced wall length requirements and the existing sheathing boards do not provide the adequate bracing required by code. The size and location of some windows will need to be changed for these walls to meet the geometry of the braced wall requirements. Bracing methods 2 through 8 in section R602.10.3 would all require the removal of the existing exterior boards and siding to install the sheathing for the brace wall panels. Method 1 requires a 1x4 brace to be "let in" or notched into the studs and the top and bottom wall plates. This

Re: Fire Damaged Home Evaluation  
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method will not work because the notch required in the studs is larger than the notch permitted by the American Forest and Paper Association's National Design Specification for Wood Construction. In addition to removing the fire damaged siding many undamaged areas of the siding will need to be removed to install the code required braced panels resulting in a majority of the existing siding to be removed.

The following is a partial list of items required to repair the home, all items will need to comply with current codes:

1. A registered engineer's evaluation and repair/rebuild details (see IEBC 2006 506.2, 506.2.2.1).
2. The heavily damaged North West corner of the home will need to be demolished and rebuilt with new materials that comply with current codes. The partial demolition of the home can be dangerous for workers due to the unpredictable nature of a damaged structure. Extensive shoring of the floors and walls will need to be installed for safety purposes before demolition can begin.
3. The remaining portion of the home will need to be gutted to remove the damaged interior and exterior finishes, mitigate any mold found and expose hidden structural damage. All damaged structural members uncovered will need to be repaired or replaced. All remaining elements will have to have all soot properly removed.
4. Any existing undamaged structural elements and connections that do not comply with the current code will need to be reinforced or replaced.
5. The roof will need to be reconstructed with new materials.
6. Rearrangement of window locations and sizes and removal of exterior siding to provide the exterior walls with the lateral stiffness required by the current codes.
7. All of the mechanical, electrical and plumbing systems of the home will need to be replaced.
8. All removed interior and exterior finishes will need to be replaced including any required insulation.

Once all the interior finishes are removed, a majority of the exterior siding and sheathing boards are removed and the heavily damaged roof is removed the only salvageable elements from the existing home would be approximately 50% of the wall studs and floor joists and all of the foundations. Some of the salvaged framing could require reinforcement or replacement to comply with the current codes. Selective demolition along with repairs to the remaining existing structural shell would be expensive to implement. It is our opinion that a complete demolition of the home and building a new home would be more cost effective than repairing the existing home. The restoration of the existing home would effectively be a new home built around half of the original wall studs and joists.

Re: Fire Damaged Home Evaluation  
3914 Baltimore Street  
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If the home were to be reconstructed extensive shoring would need to be installed to support all of the floor levels and many walls to create a safe demolition working environment. The North West corner would need to be completely demolished and rebuild. A majority of the remaining exterior finishes would need to be removed along with changing the location and size of the windows for the lateral bracing requirements. All of the interior finishes would need to be removed and replaced. All of the salvageable structural framing members would be concealed by new interior and exterior finishes. These new and modern finishes would be the only elements of the home that would be visible from inside or outside of the home and the reconstructed home would look nearly identical to a newly constructed home.

SCI's scope of service is limited to a visual inspection of the above referenced structure. A structural condition is hidden if concealed by existing finishes or is not capable of investigation by reasonable visual observation. SCI is not responsible for hidden conditions as defined herein. The client is responsible for all risks associated with these hidden conditions. SCI shall not be responsible for the existing hidden conditions nor any resulting damages to persons or property.

Please contact our office with any questions you may have regarding these issues.

Sincerely,

Hans Stamberg, P.E.  
Project Engineer

Jody A. Fox, P.E.  
President

## DEFINITIONS

dition or other private entity using the facility are carried out. Mechanical rooms, boiler rooms, supply storage rooms, employee lounges or locker rooms, janitorial closets, entrances, corridors and restrooms are not areas containing a primary function.

**REHABILITATION.** Any work, as described by the categories of work defined herein, undertaken in an existing building.

**REHABILITATION, SEISMIC.** Work conducted to improve the seismic lateral force resistance of an existing building.

**REPAIR.** The restoration to good or sound condition of any part of an existing building for the purpose of its maintenance.

**SEISMIC LOADING.** The forces prescribed herein, related to the response of the structure to earthquake motions, to be used in the analysis and design of the structure and its components.

**[B] SUBSTANTIAL DAMAGE.** For the purpose of determining compliance with the flood provisions of this code, damage of any origin sustained by a structure whereby the cost of restoring the structure to its before-damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.

**SUBSTANTIAL IMPROVEMENT.** For the purpose of determining compliance with the flood provisions of this code, any repair, alteration, addition, or improvement of a building or structure, the cost of which equals or exceeds 50 percent of the market value of the structure, before the improvement or repair is started. If the structure has sustained substantial damage, any repairs are considered substantial improvement regardless of the actual repair work performed. The term does not, however, include either:

1. Any project for improvement of a building required to correct existing health, sanitary, or safety code violations identified by the code official and that is the minimum necessary to assure safe living conditions, or
2. Any alteration of a historic structure, provided that the alteration will not preclude the structure's continued designation as a historic structure.

**SUBSTANTIAL STRUCTURAL DAMAGE.** A condition where:

1. In any story, the vertical elements of the lateral-force-resisting system have suffered damage such that the lateral load-carrying capacity of the structure in any horizontal direction has been reduced by more than 20 percent from its predamaged condition; or
2. The capacity of any vertical gravity load-carrying component, or any group of such components, that supports more than 30 percent of the total area of the structure's floor(s) and roof(s) has been reduced more than 20 percent from its predamaged condition and the remaining capacity of such affected elements, with respect to all dead and live loads, is less than 75 percent of that required by the *International Building Code* for new buildings of similar structure, purpose and location.

**TECHNICALLY INFEASIBLE.** An alteration of a building or a facility that has little likelihood of being accomplished

because the existing structural conditions require the removal or alteration of a load-bearing member that is an essential part of the structural frame or because other existing physical or site constraints prohibit modification or addition of elements, spaces, or features that are in full and strict compliance with the minimum requirements for new construction and that are necessary to provide accessibility.

**UNSAFE BUILDINGS OR EQUIPMENT.** Buildings or existing equipment that is insanitary or deficient because of inadequate means of egress facilities, inadequate light and ventilation, or that constitutes a fire hazard, or that is otherwise dangerous to human life or the public welfare or that involves illegal or improper occupancy or inadequate maintenance, shall be deemed an unsafe condition.

**WORK AREA.** That portion or portions of a building consisting of all reconfigured spaces as indicated on the construction documents. Work area excludes other portions of the building where incidental work entailed by the intended work must be performed and portions of the building where work not initially intended by the owner is specifically required by this code.

1. Seventy-five percent of the forces prescribed in the *International Building Code*. The *R*-factor used for analysis in accordance with Chapter 16 of the *International Building Code* shall be the *R*-factor as specified in Section 506.1.1.2 of this code.
2. In accordance with the applicable chapters in Appendix A of this code as specified in Items 2.1 through 2.5 below. Structures or portions of structures that comply with the requirements of the applicable chapter in Appendix A shall be deemed to comply with the requirements for reduced *International Building Code* force levels.
  - 2.1. The seismic evaluation and design of unreinforced masonry bearing wall buildings in Occupancy Category I or II are permitted to be based on the procedures specified in Appendix Chapter A1.
  - 2.2. Seismic evaluation and design of the wall anchorage system in reinforced concrete and reinforced masonry wall buildings with flexible diaphragms in Occupancy Category I or II are permitted to be based on the procedures specified in Appendix Chapter A2.
  - 2.3. Seismic evaluation and design of cripple walls and sill plate anchorage in residential buildings of light-frame wood construction in Occupancy Category I or II are permitted to be based on the procedures specified in Appendix Chapter A3.
  - 2.4. Seismic evaluation and design of soft, weak or open-front wall conditions in multiunit residential buildings of wood construction in Occupancy Category I or II are permitted to be based on the procedures specified in Appendix Chapter A4.
  - 2.5. Seismic evaluation and design of concrete buildings and concrete with masonry infill buildings in all occupancy categories are permitted to be based on the procedures specified in Appendix Chapter A5.
3. In accordance with ASCE 31 based on the applicable performance level as shown in Table 506.1.1.2.
4. Those associated with the BSE-1 Earthquake Hazard Level defined in FEMA 356 and the performance level as shown in Table 506.1.1.2. Where FEMA 356 is used, the design spectral response acceleration parameters  $S_{XS}$  and  $S_{X1}$  shall not be taken less than 75 percent of the respective design spectral response acceleration parameters  $S_{DS}$  and  $S_{D1}$  defined by the *International Building Code* and its reference standards.

**506.1.2 Wind design.** Wind design of existing buildings shall be based on the procedures specified in the *International Building Code* or *International Residential Code* as applicable.

**506.2 Repairs to damaged buildings.** Repairs to damaged buildings shall comply with this section.

**506.2.1 Dangerous conditions.** Regardless of the extent of structural damage, dangerous conditions shall be eliminated.

**506.2.2 Substantial structural damage to vertical elements of the lateral-force-resisting system.** A building that has sustained substantial structural damage to the vertical elements of its lateral-force-resisting system shall be evaluated and repaired in accordance with the applicable provisions of Sections 506.2.2.1 through 506.2.2.3.

**506.2.2.1 Evaluation.** The building shall be evaluated by a registered design professional, and the evaluation findings shall be submitted to the code official. The evaluation shall establish whether the damaged building, if repaired to its predamaged state, would comply with the provisions of the *International Building Code*. Wind forces for this evaluation shall be those prescribed in the *International Building Code*. Seismic forces for this evaluation are permitted to be the reduced level seismic forces specified in Section 506.1.1.3.

**506.2.2.2 Extent of repair for compliant buildings.** If the evaluation establishes compliance of the predamaged building in accordance with Section 506.2.2.1, then repairs shall be permitted that restore the building to its predamaged state using materials and strengths that existed prior to the damage.

**506.2.2.3 Extent of repair for noncompliant buildings.** If the evaluation does not establish compliance of the predamaged building in accordance with Section 506.2.2.1, then the building shall be rehabilitated to comply with applicable provisions of the *International Building Code* for load combinations, including wind or seismic forces. The wind design level for the repair shall be as required by the building code in effect at the time of original construction, unless the damage was caused by wind, in which case the design level shall be as required by the code in effect at the time of original construction or as required by the *International Building Code*, whichever is greater. Seismic forces for this rehabilitation design shall be those required for the design of the predamaged building, but not less than the reduced level seismic forces specified in Section 506.1.1.3. New structural members and connections required by this rehabilitation design shall comply with the detailing provisions of the *International Building Code* for new buildings of similar structure, purpose and location.

**506.2.3 Substantial structural damage to vertical load-carrying components.** Vertical load-carrying components that have sustained substantial structural damage shall be rehabilitated to comply with the applicable provisions for dead and live loads in the *International Building Code*. Undamaged vertical load-carrying components that receive dead or live loads from rehabilitated components shall also be rehabilitated to carry the design loads of the rehabilitation design. New structural members and connections required by this rehabilitation design shall comply with the

detailing provisions of the *International Building Code* for new buildings of similar structure, purpose and location.

**506.2.3.1 Lateral-force-resisting elements.** Regardless of the level of damage to vertical elements of the lateral-force-resisting system, if substantial structural damage to vertical load-carrying components was caused primarily by wind or seismic effects, then the building shall be evaluated in accordance with Section 506.2.2.1 and, if noncompliant, rehabilitated in accordance with Section 506.2.2.3.

**506.2.4 Less than substantial structural damage.** For damage less than substantial structural damage, repairs shall be allowed that restore the building to its predamaged state using materials and strengths that existed prior to the damage. New structural members and connections used for this repair shall comply with the detailing provisions of the *International Building Code* for new buildings of similar structure, purpose and location.

**506.2.5 Flood hazard areas.** In flood hazard areas, buildings that have sustained substantial damage shall be brought into compliance with Section 1612 of the *International Building Code*.

## SECTION 507 ELECTRICAL

**507.1 Material.** Existing electrical wiring and equipment undergoing repair shall be allowed to be repaired or replaced with like material.

- **507.1.1 Receptacles.** Replacement of electrical receptacles shall comply with the applicable requirements of Section 406.3(D) of NFPA 70.
- **507.1.2 Plug fuses.** Plug fuses of the Edison-base type shall be used for replacements only where there is no evidence of over fusing or tampering per applicable requirements of Section 240.51(B) of NFPA 70.
- **507.1.3 Nongrounding-type receptacles.** For replacement of nongrounding-type receptacles with grounding-type receptacles and for branch circuits that do not have an equipment grounding conductor in the branch circuitry, the grounding conductor of a grounding-type receptacle outlet shall be permitted to be grounded to any accessible point on the grounding electrode system or to any accessible point on the grounding electrode conductor in accordance with Section 250.130(C) of NFPA 70.
- **507.1.4 Group I-2 receptacles.** Non-“hospital grade” receptacles in patient bed locations of Group I-2 shall be replaced with “hospital grade” receptacles, as required by NFPA 99 and Article 517 of NFPA 70.
- **507.1.5 Grounding of appliances.** Frames of electric ranges, wall-mounted ovens, counter-mounted cooking units, clothes dryers and outlet or junction boxes that are part of the existing branch circuit for these appliances shall be permitted to be grounded to the grounded circuit conductor in accordance with Section 250.140 of NFPA 70.

## SECTION 508 MECHANICAL

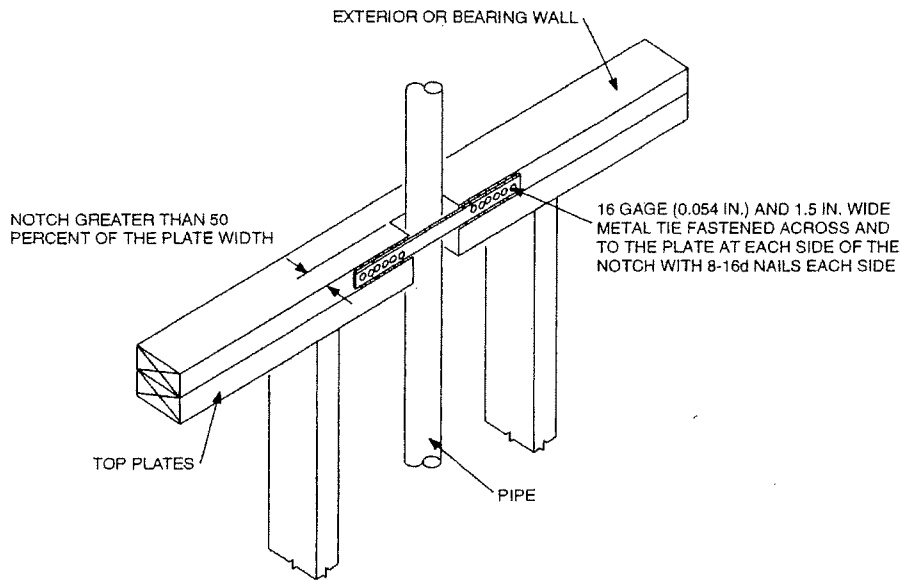
**508.1.1 General.** Existing mechanical systems undergoing repair shall not make the building less conforming than it was before the repair was undertaken.

## SECTION 509 PLUMBING

**509.1 Materials.** Plumbing materials and supplies shall not be used for repairs that are prohibited in the *International Plumbing Code*.

**509.2 Water closet replacement.** The maximum water consumption flow rates and quantities for all replaced water closets shall be 1.6 gallons (6 L) per flushing cycle.

**Exception:** Blowout-design water closets [3.5 gallons (13 L) per flushing cycle].



For SI: 1 inch = 25.4 mm.

FIGURE R602.6.1  
TOP PLATE FRAMING TO ACCOMMODATE PIPING

2. At all interconnections between concealed vertical and horizontal spaces such as occur at soffits, drop ceilings and cove ceilings.
3. In concealed spaces between stair stringers at the top and bottom of the run. Enclosed spaces under stairs shall comply with Section R311.2.2.
4. At openings around vents, pipes, ducts, cables and wires at ceiling and floor level, with an approved material to resist the free passage of flame and products of combustion.
5. For the fireblocking of chimneys and fireplaces, see Section R1003.19.
6. Fireblocking of cornices of a two-family dwelling is required at the line of dwelling unit separation.

**R602.8.1 Materials.** Except as provided in Section R602.8, Item 4, fireblocking shall consist of 2-inch (51 mm) nominal lumber, or two thicknesses of 1-inch (25.4 mm) nominal lumber with broken lap joints, or one thickness of  $2\frac{3}{32}$ -inch (19.8 mm) wood structural panels with joints backed by  $2\frac{3}{32}$ -inch (19.8 mm) wood structural panels or one thickness of  $\frac{3}{4}$ -inch (19.1 mm) particleboard with joints backed by  $\frac{3}{4}$ -inch (19.1 mm) particleboard,  $\frac{1}{2}$ -inch (12.7 mm) gypsum board, or  $\frac{1}{4}$ -inch (6.4 mm) cement-based millboard. Batts or blankets of mineral wool or glass fiber or other approved materials installed in such a manner as to be securely retained in place shall be permitted as an acceptable fire block. Batts or blankets of mineral or glass fiber or other approved nonrigid materials shall be permitted for compliance with the 10 foot horizontal fireblocking in walls constructed using parallel rows of studs or staggered studs.

Loose-fill insulation material shall not be used as a fire block unless specifically tested in the form and manner intended for use to demonstrate its ability to remain in place and to retard the spread of fire and hot gases.

**R602.8.1.1 Unfaced fiberglass.** Unfaced fiberglass batt insulation used as fireblocking shall fill the entire cross section of the wall cavity to a minimum height of 16 inches (406 mm) measured vertically. When piping, conduit or similar obstructions are encountered, the insulation shall be packed tightly around the obstruction.

**R602.8.1.2 Fireblocking integrity.** The integrity of all fireblocks shall be maintained.

**R602.9 Cripple walls.** Foundation cripple walls shall be framed of studs not smaller than the studding above. When exceeding 4 feet (1219 mm) in height, such walls shall be framed of studs having the size required for an additional story.

Cripple walls with a stud height less than 14 inches (356 mm) shall be sheathed on at least one side with a wood structural panel that is fastened to both the top and bottom plates in accordance with Table R602.3(1), or the cripple walls shall be constructed of solid blocking. Cripple walls shall be supported on continuous foundations.

**R602.10 Wall bracing.** All exterior walls shall be braced in accordance with this section. In addition, interior braced wall lines shall be provided in accordance with Section R602.10.1.1. For buildings in Seismic Design Categories D<sub>0</sub>, D<sub>1</sub> and D<sub>2</sub>, walls shall be constructed in accordance with the additional requirements of Sections R602.10.9, R602.10.11, and R602.11.

→ **R602.10.1 Braced wall lines.** Braced wall lines shall consist of braced wall panel construction in accordance with Section R602.10.3. The amount and location of bracing shall be in accordance with Table R602.10.1 and the amount of bracing shall be the greater of that required by the seismic design category or the design wind speed. Braced wall panels shall begin no more than 12.5 feet (3810 mm) from each end of a braced wall line. Braced wall panels that are counted as part of a braced wall line shall be in line, except that offsets out-of-plane of up to 4 feet (1219 mm) shall be permitted provided that the total out-to-out offset dimension in any braced wall line is not more than 8 feet (2438 mm).

→ **R602.10.1.1 Spacing.** Spacing of braced wall lines shall not exceed 35 feet (10 668 mm) on center in both the longitudinal and transverse directions in each story.

**Exception:** Spacing of braced wall lines not exceeding 50 feet shall be permitted where:

1. The wall bracing installed equals or exceeds the amount of bracing required by Table R602.10.1 multiplied by a factor equal to the braced wall line spacing divided by 35 feet and
2. The length-to-width ratio for the floor or roof diaphragm does not exceed 3:1.

**R602.10.2 Cripple wall bracing.**

**R602.10.2.1 Seismic design categories other than D<sub>2</sub>.** In Seismic Design Categories other than D<sub>2</sub>, cripple walls shall be braced with an amount and type of bracing as required for the wall above in accordance with Table R602.10.1 with the following modifications for cripple wall bracing:

1. The percent bracing amount as determined from Table R602.10.1 shall be increased by 15 percent and
2. The wall panel spacing shall be decreased to 18 feet (5486 mm) instead of 25 feet (7620 mm).

**R602.10.2.2 Seismic Design Category D<sub>2</sub>.** In Seismic Design Category D<sub>2</sub>, cripple walls shall be braced in accordance with Table R602.10.1.

**R602.10.2.3 Redesignation of cripple walls.** In any seismic design category, cripple walls are permitted to be redesignated as the first story walls for purposes of determining wall bracing requirements. If the cripple walls are redesignated, the stories above the redesignated story shall be counted as the second and third stories, respectively.

→ **R602.10.3 Braced wall panel construction methods.** The construction of braced wall panels shall be in accordance with one of the following methods:

1. Nominal 1-inch-by-4-inch (25 mm by 102 mm) continuous diagonal braces let in to the top and bottom plates and the intervening studs or approved metal strap devices installed in accordance with the manufacturer's specifications. The let-in bracing shall be placed at an angle not more than 60 degrees (1.06

rad) or less than 45 degrees (0.79 rad) from the horizontal.

2. Wood boards of  $\frac{5}{8}$  inch (16 mm) net minimum thickness applied diagonally on studs spaced a maximum of 24 inches (610 mm). Diagonal boards shall be attached to studs in accordance with Table R602.3(1).
3. Wood structural panel sheathing with a thickness not less than  $\frac{5}{16}$  inch (8 mm) for 16-inch (406 mm) stud spacing and not less than  $\frac{3}{8}$  inch (9 mm) for 24-inch (610 mm) stud spacing. Wood structural panels shall be installed in accordance with Table R602.3(3).
4. One-half-inch (13 mm) or  $\frac{25}{32}$ -inch (20 mm) thick structural fiberboard sheathing applied vertically or horizontally on studs spaced a maximum of 16 inches (406 mm) on center. Structural fiberboard sheathing shall be installed in accordance with Table R602.3(1).
5. Gypsum board with minimum  $\frac{1}{2}$ -inch (13 mm) thickness placed on studs spaced a maximum of 24 inches (610 mm) on center and fastened at 7 inches (178 mm) on center with the size nails specified in Table R602.3(1) for sheathing and Table R702.3.5 for interior gypsum board.
6. Particleboard wall sheathing panels installed in accordance with Table R602.3(4).
7. Portland cement plaster on studs spaced a maximum of 16 inches (406 mm) on center and installed in accordance with Section R703.6.
8. Hardboard panel siding when installed in accordance with Table R703.4.

**Exception:** Alternate braced wall panels constructed in accordance with Section R602.10.6.1 or R602.10.6.2 shall be permitted to replace any of the above methods of braced wall panels.

**R602.10.4 Length of braced panels.** For Methods 2, 3, 4, 6, 7 and 8 above, each braced wall panel shall be at least 48 inches (1219 mm) in length, covering a minimum of three stud spaces where studs are spaced 16 inches (406 mm) on center and covering a minimum of two stud spaces where studs are spaced 24 inches (610 mm) on center. For Method 5 above, each braced wall panel shall be at least 96 inches (2438 mm) in length where applied to one face of a braced wall panel and at least 48 inches (1219 mm) where applied to both faces.

**Exceptions:**

1. Lengths of braced wall panels for continuous wood structural panel sheathing shall be in accordance with Section R602.10.5.
2. Lengths of alternate braced wall panels shall be in accordance with Section R602.10.6.1 or Section R602.10.6.2.

**R602.10.5 Continuous wood structural panel sheathing.** When continuous wood structural panel sheathing is provided in accordance with Method 3 of Section R602.10.3 on all sheathable areas of all exterior walls, and interior braced

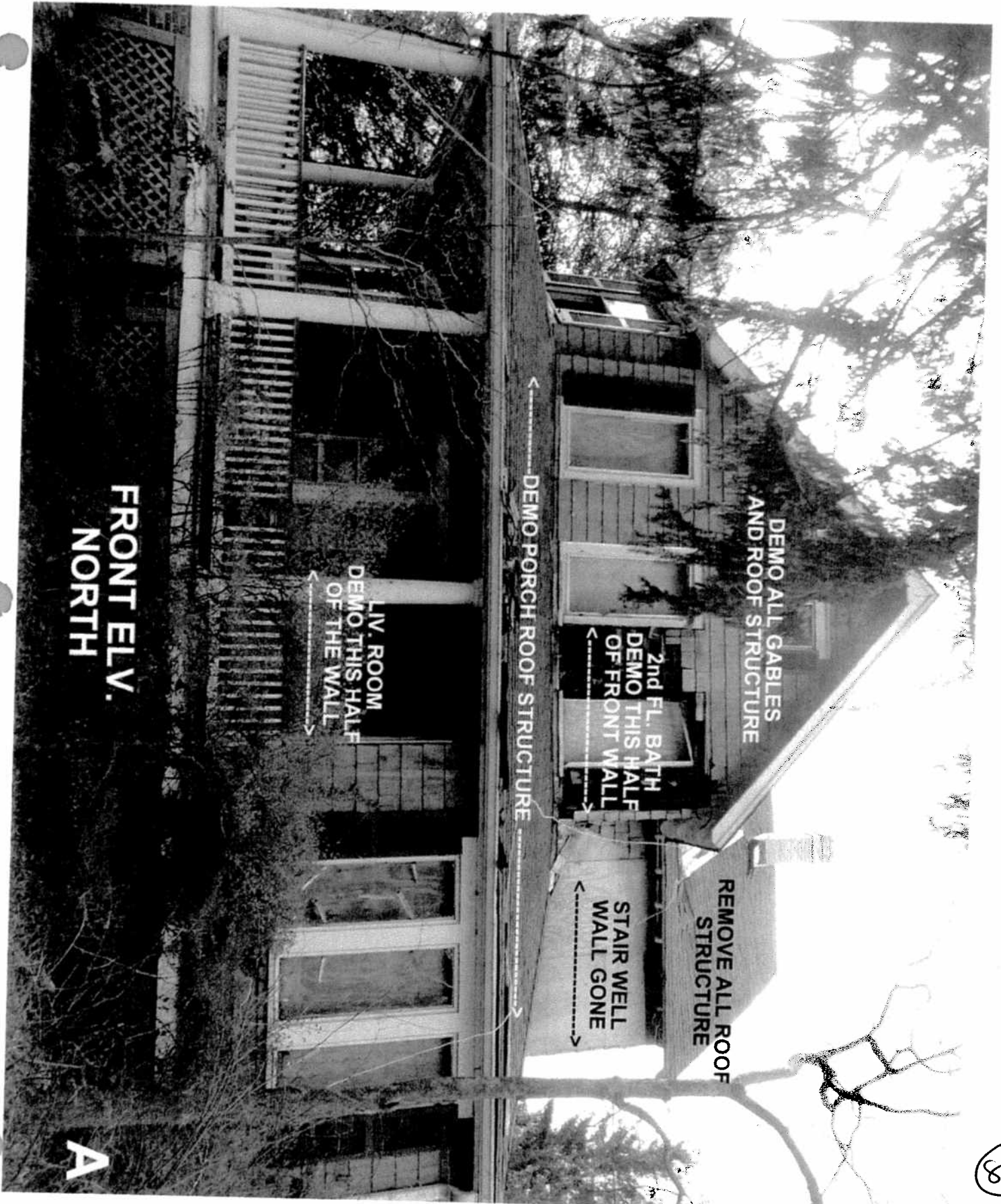
TABLE R602.10.1  
WALL BRACING

SEISMIC DESIGN CATEGORY OR WIND SPEED	CONDITION	TYPE OF BRACE <sup>b,c</sup>	AMOUNT OF BRACING <sup>a,4,*</sup>
Category A and B ( $S_s \leq 0.35g$ and $S_{ds} \leq 0.33g$ ) or 100 mph or less	One story Top of two or three story	Methods 1, 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 16% of braced wall line for Methods 2 through 8.
	First story of two story Second story of three story	Methods 1, 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 16% of braced wall line for Method 3 or 25% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 25% of braced wall line for Method 3 or 35% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
Category C ( $S_s \leq 0.6g$ and $S_{ds} \leq 0.50g$ ) or less than 110 mph	One story Top of two or three story	Methods 1, 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 16% of braced wall line for Method 3 or 25% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of two story Second story of three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 30% of braced wall line for Method 3 or 45% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 45% of braced wall line for Method 3 or 60% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
Categories D <sub>0</sub> and D <sub>1</sub> ( $S_s \leq 1.25g$ and $S_{ds} \leq 0.83g$ ) or less than 110 mph	One story Top of two or three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 20% of braced wall line for Method 3 or 30% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of two story Second story of three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 45% of braced wall line for Method 3 or 60% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of three story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 60% of braced wall line for Method 3 or 85% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
Category D <sub>2</sub> or less than 110 mph	One story Top of two story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 25% of braced wall line for Method 3 or 40% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	First story of two story	Methods 2, 3, 4, 5, 6, 7 or 8	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 55% of braced wall line for Method 3 or 75% of braced wall line for Methods 2, 4, 5, 6, 7 or 8.
	Cripple walls	Method 3	Located in accordance with Section R602.10 and at least every 25 feet on center but not less than 75% of braced wall line.

For SI: 1 inch = 25.4 mm, 1 foot = 304.8 mm, 1 pound per square foot = 0.0479kPa, 1 mile per hour = 0.477 m/s.

- Wall bracing amounts are based on a soil site class "D." Interpolation of bracing amounts between the  $S_{ds}$  values associated with the seismic design categories shall be permitted when a site specific  $S_{ds}$  value is determined in accordance with Section 1613.5 of the *International Building Code*.
- Foundation cripple wall panels shall be braced in accordance with Section R602.10.2.
- Methods of bracing shall be as described in Section R602.10.3. The alternate braced wall panels described in Section R602.10.6.1 or R602.10.6.2 shall also be permitted.
- The bracing amounts for Seismic Design Categories are based on a 15 psf wall dead load. For walls with a dead load of 8 psf or less, the bracing amounts shall be permitted to be multiplied by 0.85 provided that the adjusted bracing amount is not less than that required for the site's wind speed. The minimum length of braced panel shall not be less than required by Section R602.10.3.
- When the dead load of the roof/ceiling exceeds 15 psf, the bracing amounts shall be increased in accordance with Section R301.2.2.2.1. Bracing required for a site's wind speed shall not be adjusted.

82



FRONT ELV.  
NORTH

LIV. ROOM  
DEMO THIS HALF  
OF THE WALL

2nd FL. BATH  
DEMO THIS HALF  
OF FRONT WALL

STAIR WELL  
WALL GONE

REMOVE ALL ROOF  
STRUCTURE

DEMO PORCH ROOF STRUCTURE

DEMO ALL GABLES  
AND ROOF STRUCTURE

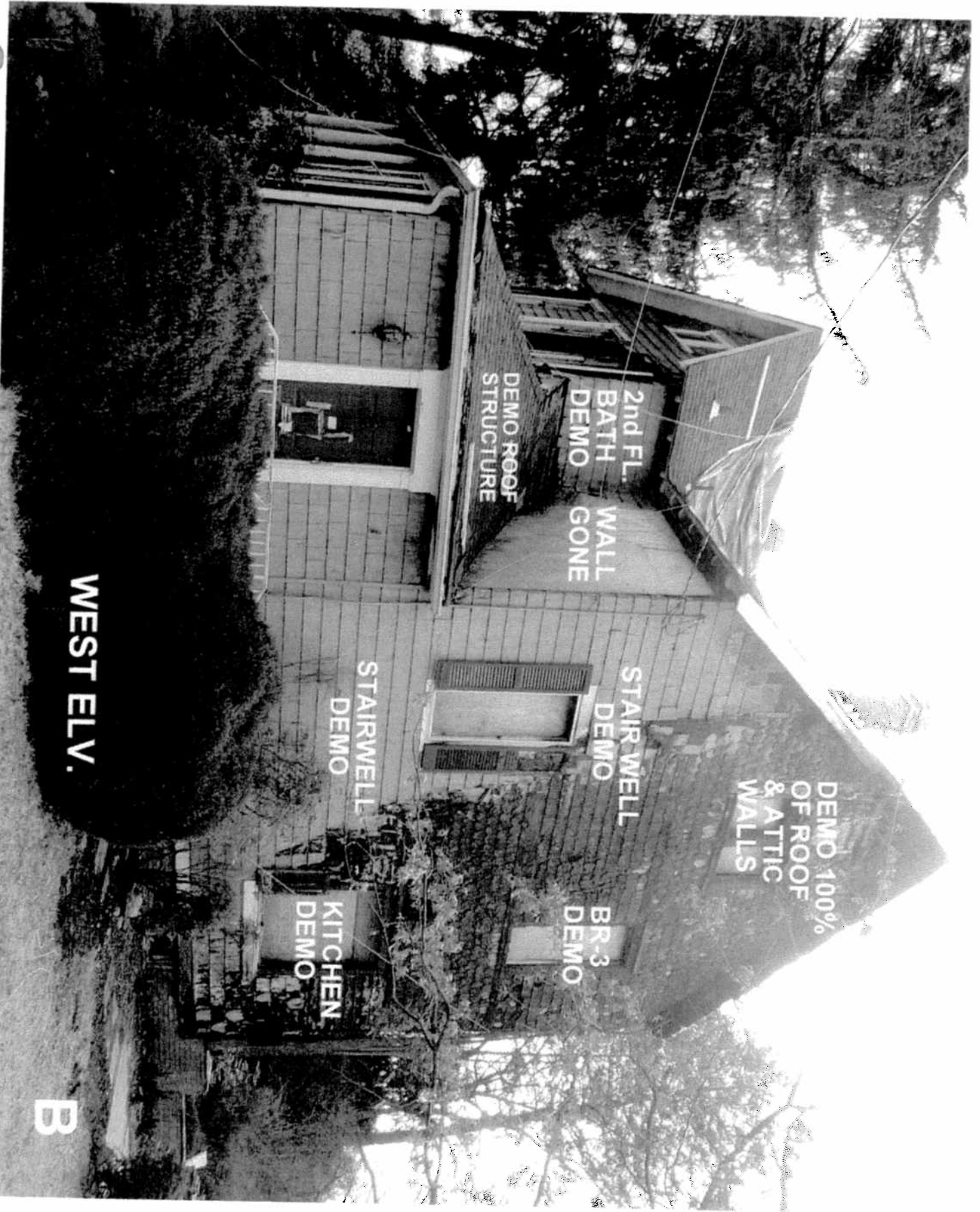
A

83

tabbies®

EXHIBIT

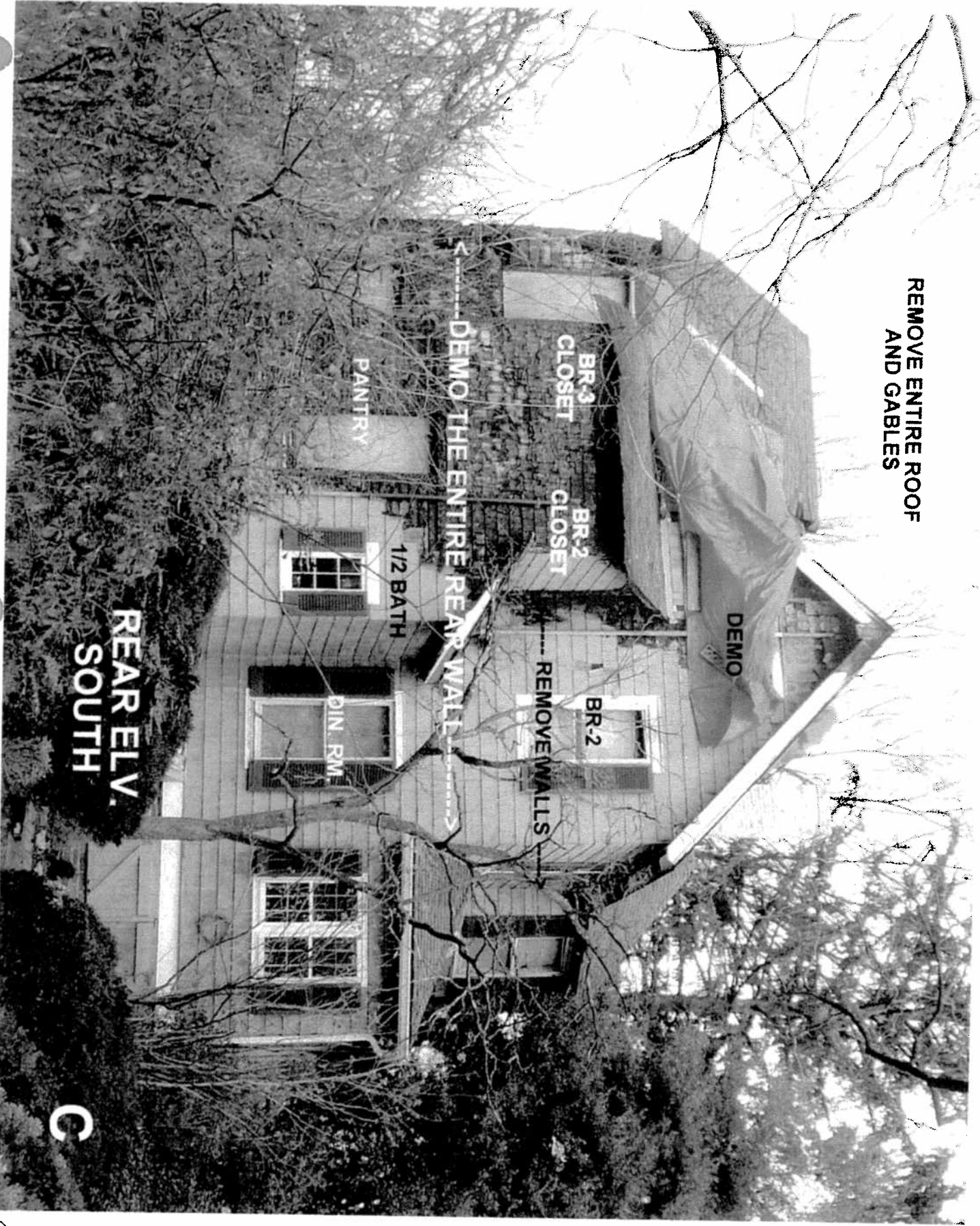
L



**WEST ELV.**

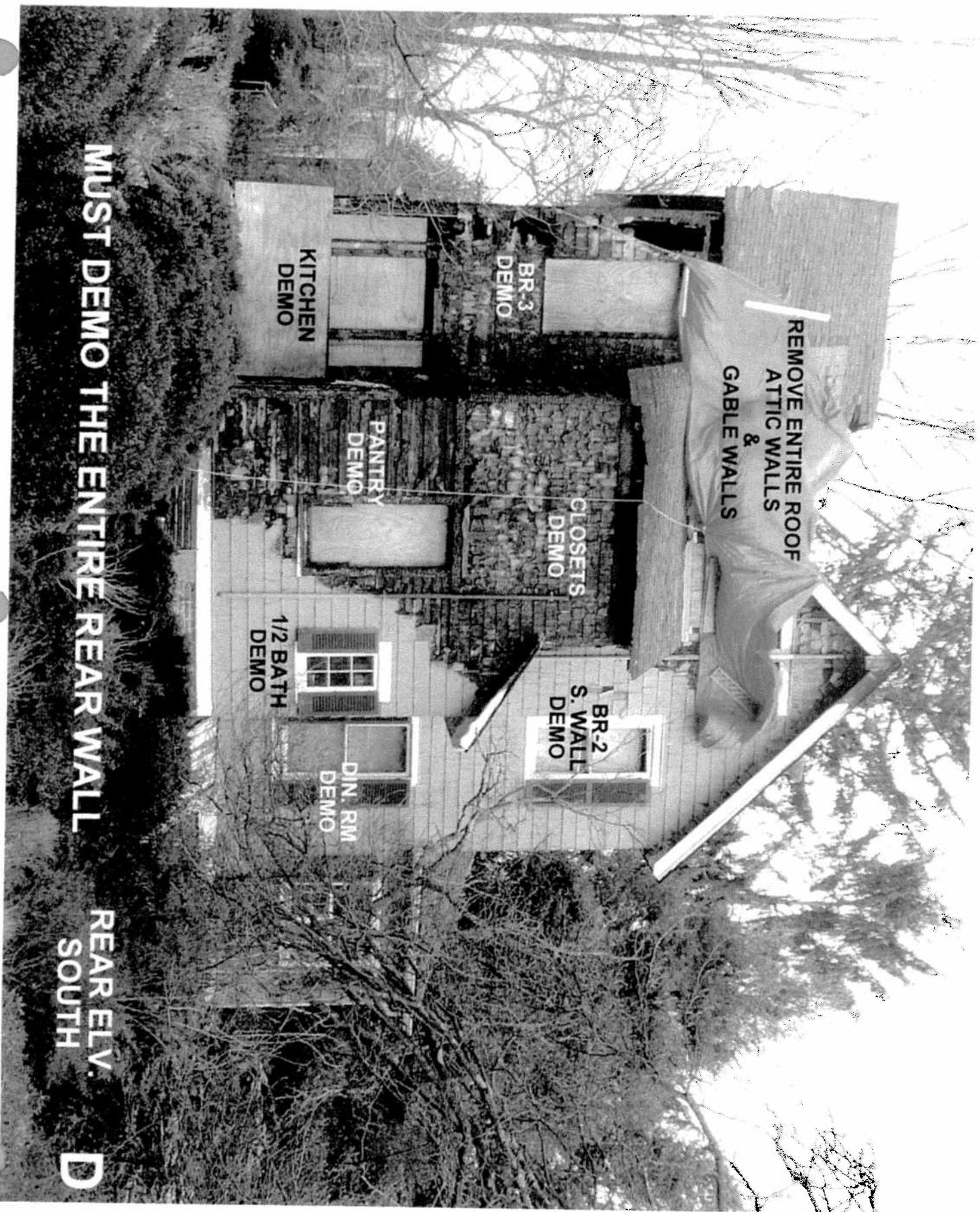
**B**

REMOVE ENTIRE ROOF  
AND GABLES



REAR ELV.  
SOUTH

C



REMOVE ENTIRE ROOF  
ATTIC WALLS  
&  
GABLE WALLS

BR-2  
S. WALL  
DEMO

CLOSETS  
DEMO

BR-3  
DEMO

PANTRY  
DEMO

KITCHEN  
DEMO

1/2 BATH  
DEMO

DIN. RM  
DEMO

MUST DEMO THE ENTIRE REAR WALL

REAR ELEV.  
SOUTH  
D

REMOVE ENTIRE ROOF AND ALL  
ATTIC WALLS, MOST OF FLOORING,  
SUB FLOOR & FLOOR JOIST

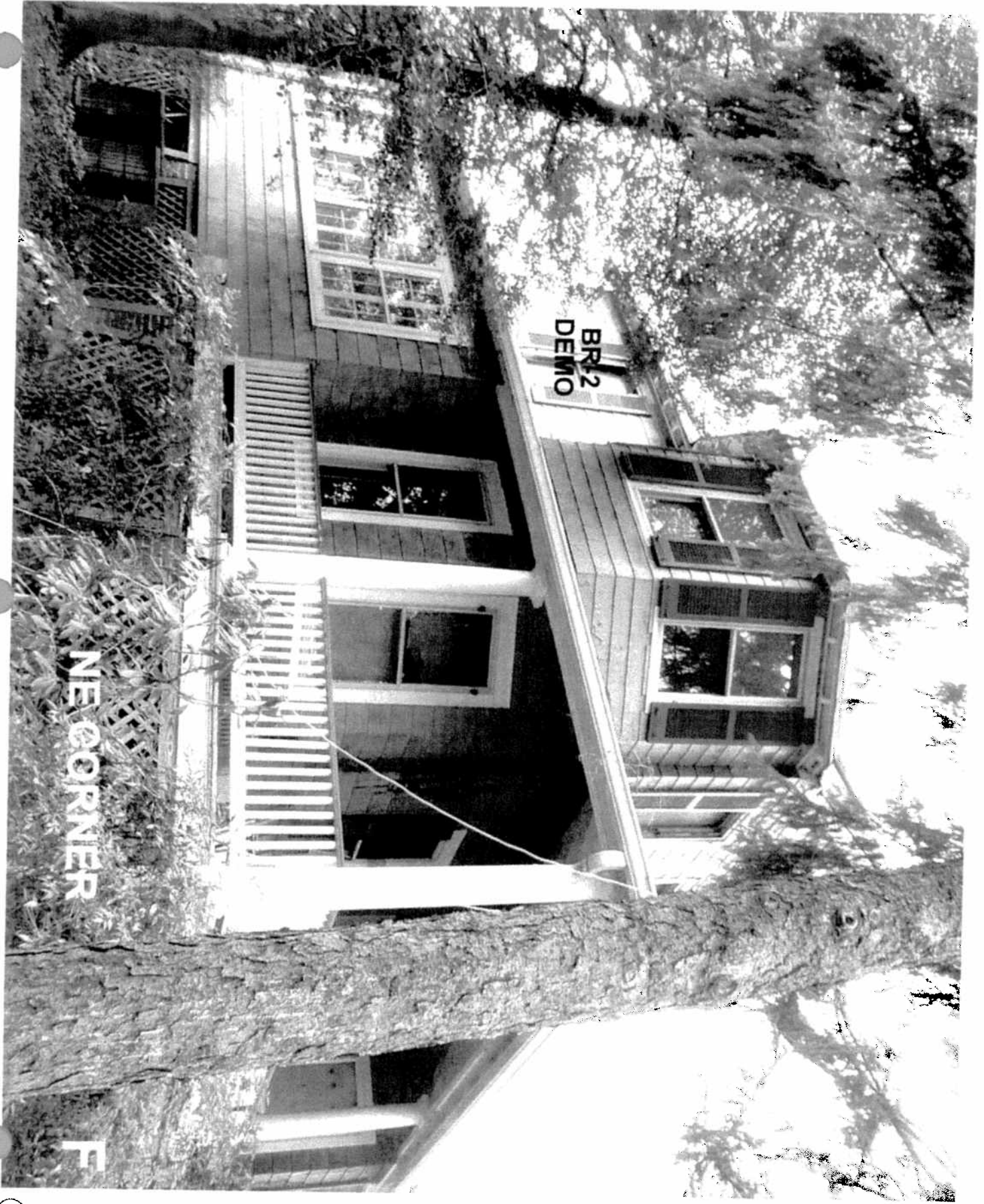
DEMO

BR-2  
<----- REMOVE THIS WALL ----->

DEMO  
1/2 BATH

EAST ELV.

E

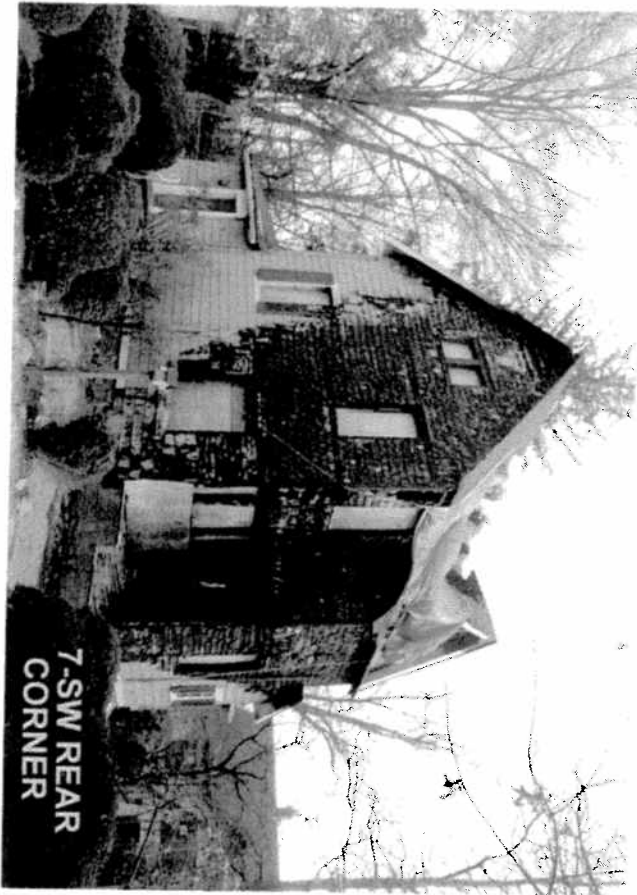


BR 2  
DEMO

NE CORNER

E





7-SW REAR  
CORNER



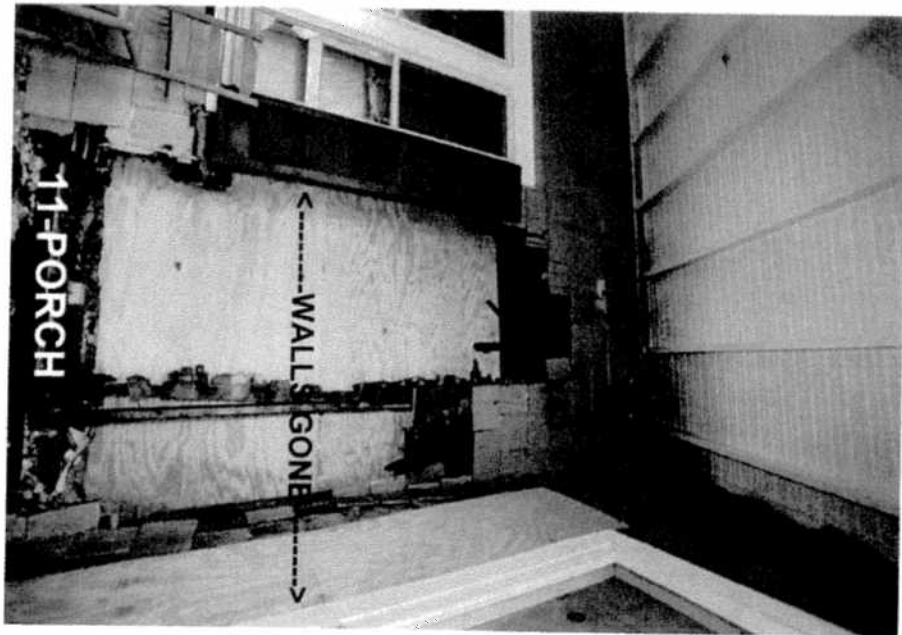
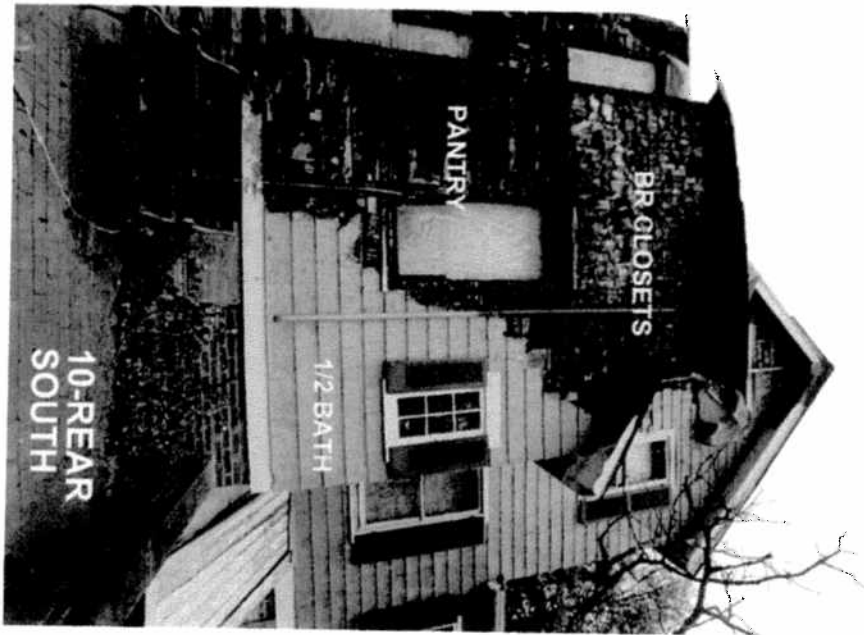
5-EAST

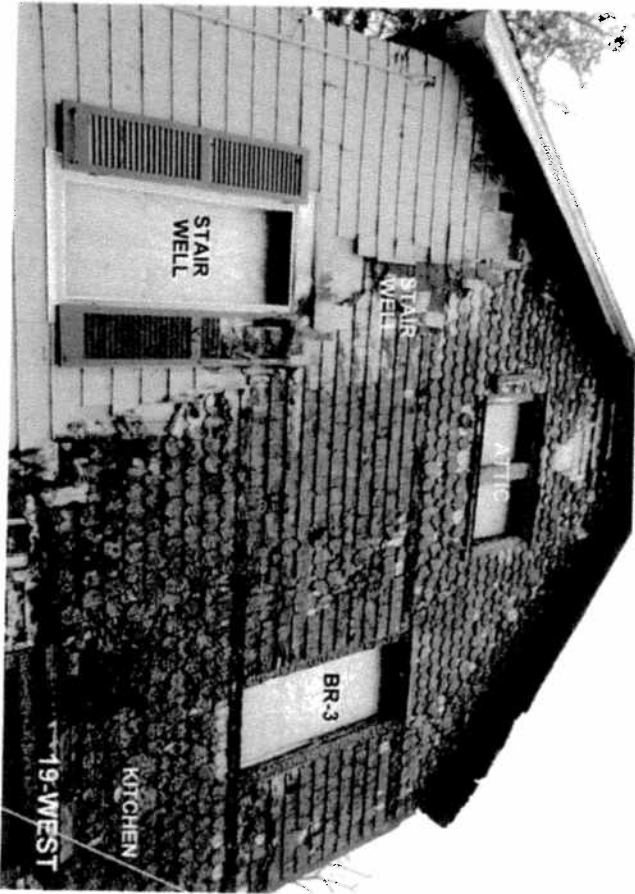
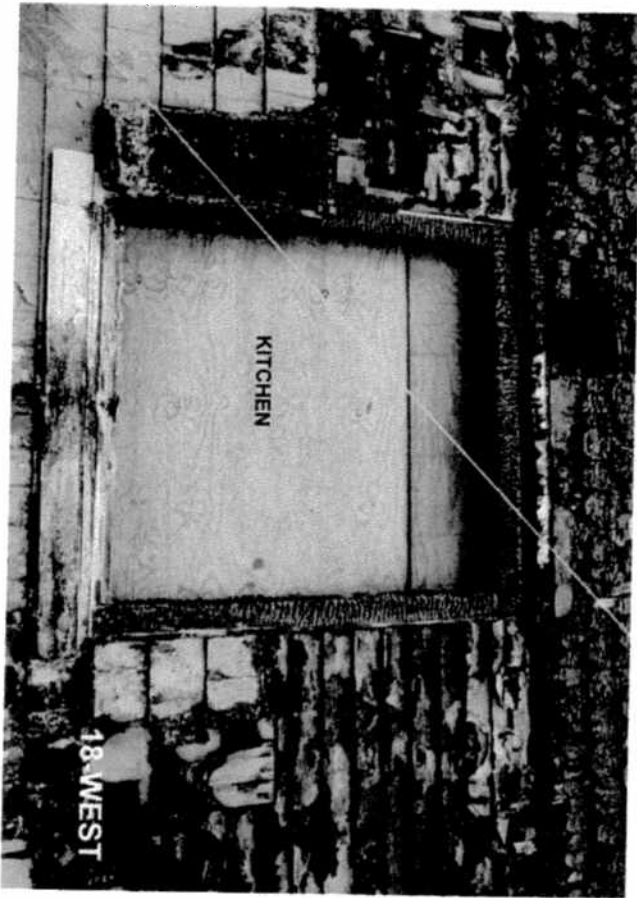


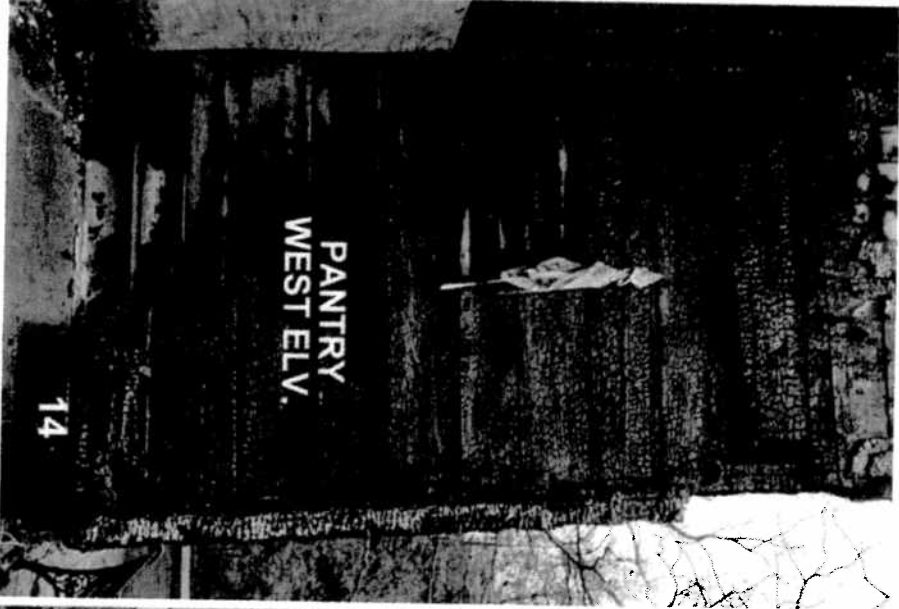
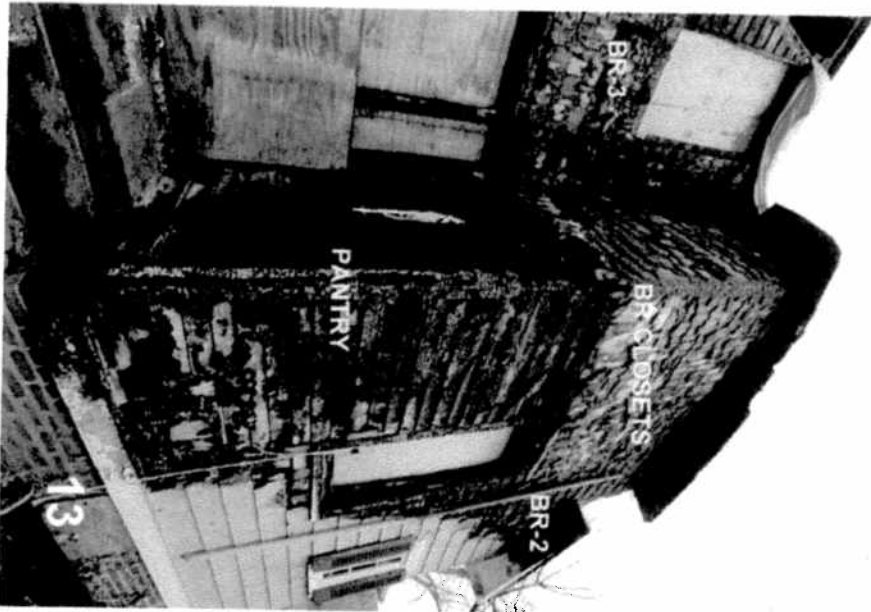
8-REAR  
SOUTH

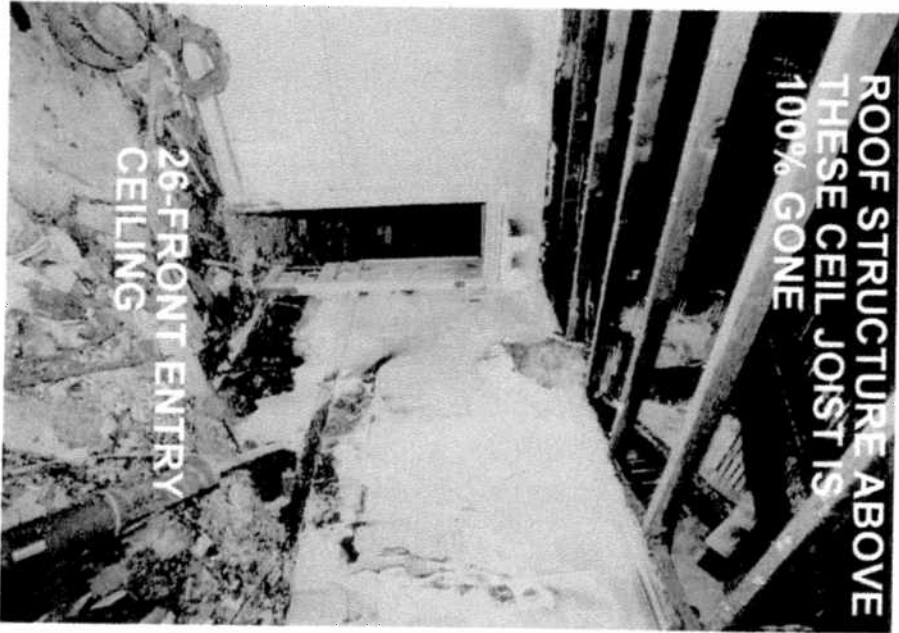


6-REAR  
SOUTH



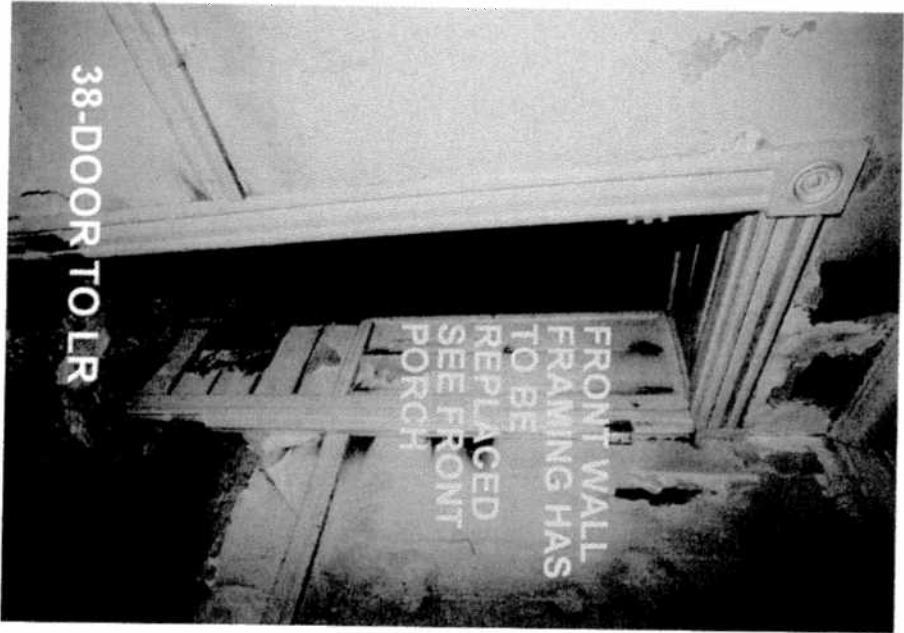






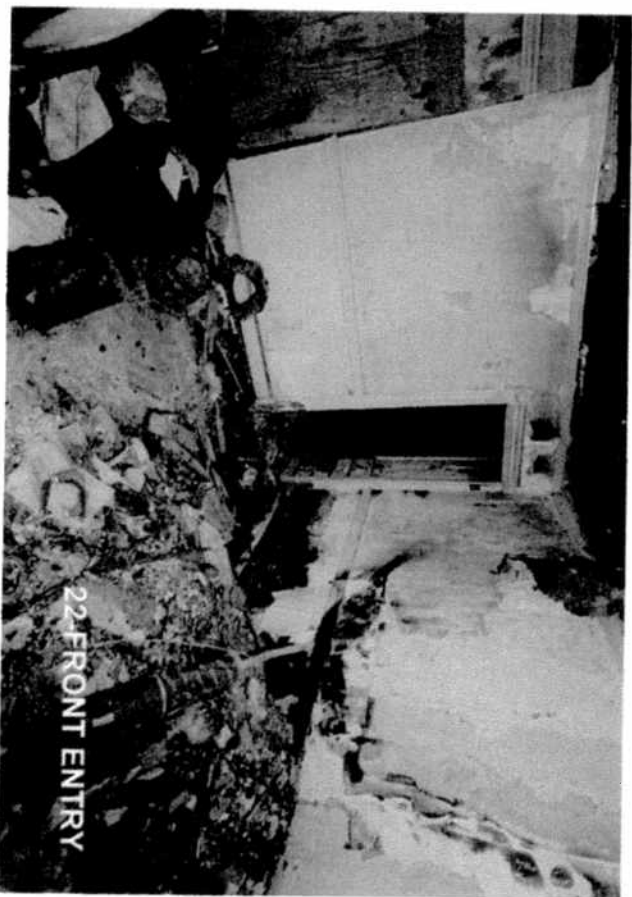
ROOF STRUCTURE ABOVE  
THESE CEIL JOIST IS  
100% GONE

26-FRONT ENTRY  
CEILING



FRONT WALL  
FRAMING HAS  
TO BE  
REPLACED  
SEE FRONT  
PORCH

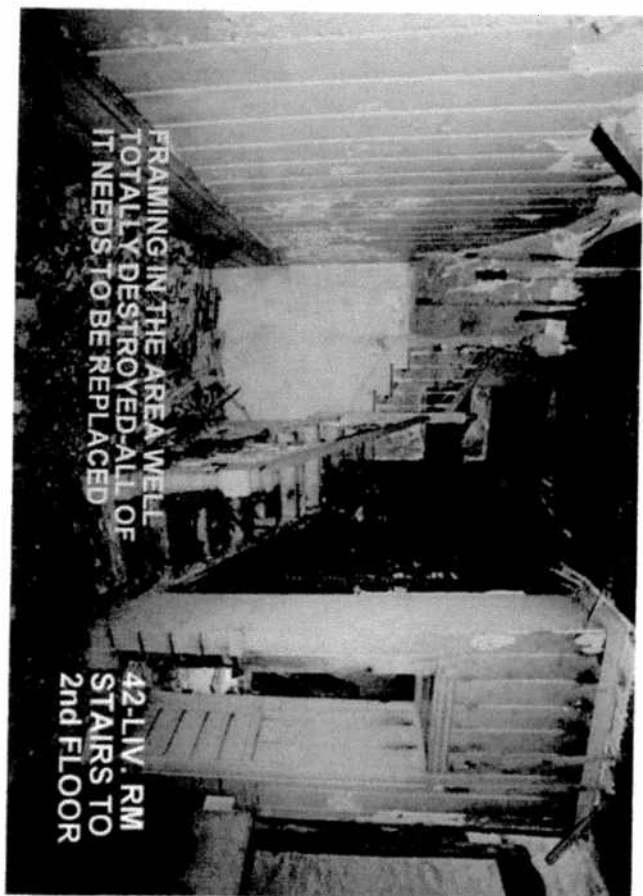
38-DOOR TO LR



22-FRONT ENTRY

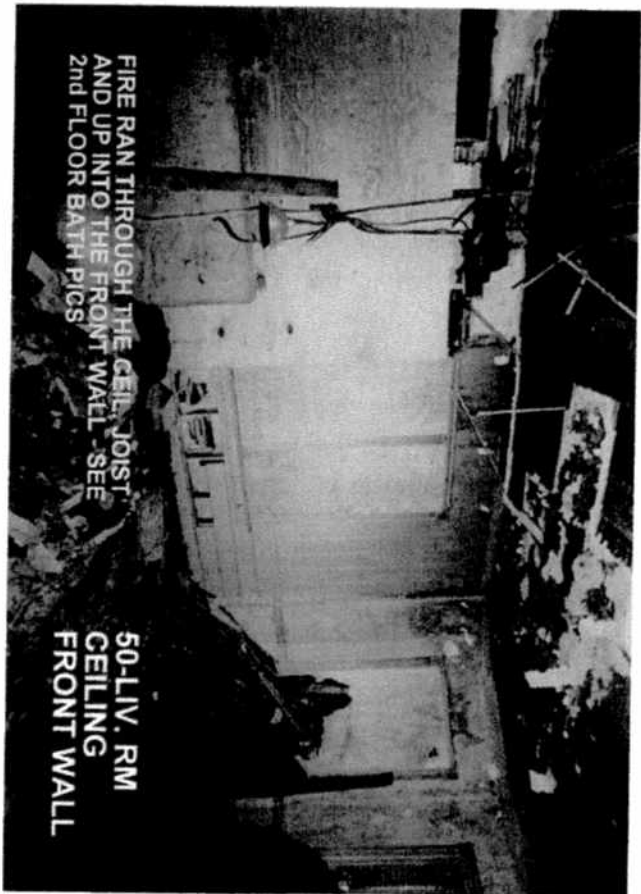


37-ENTRY FLOOR



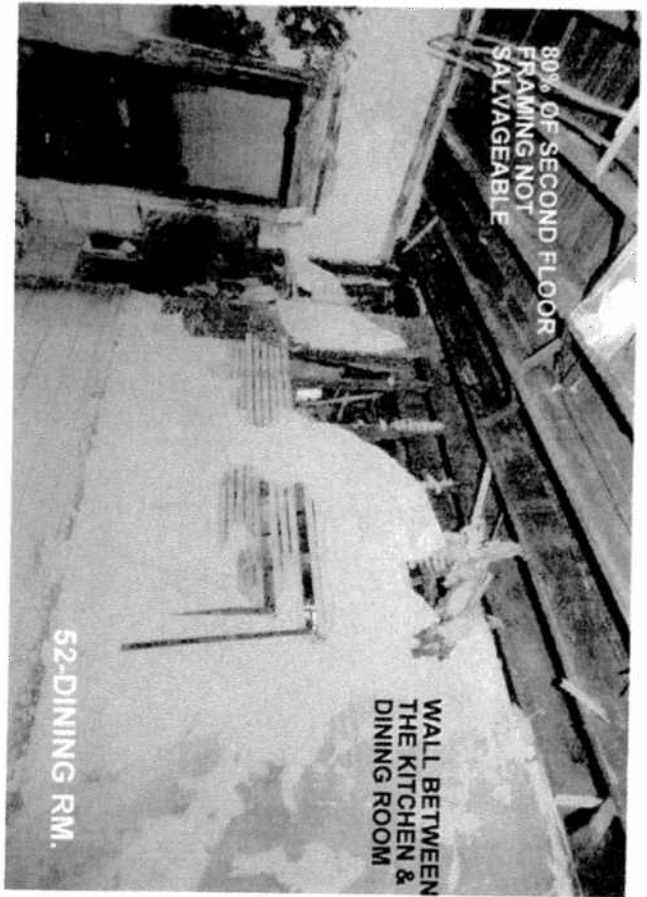
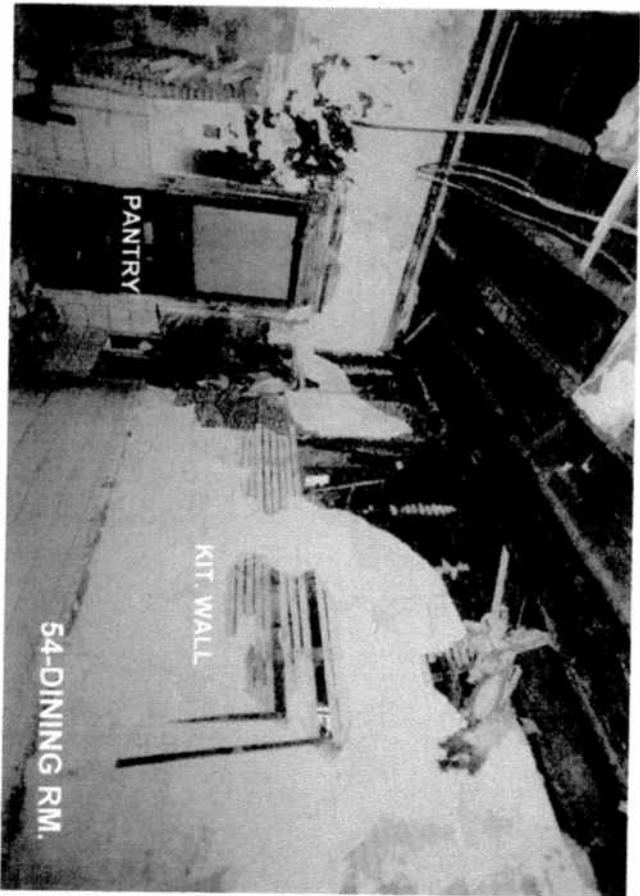
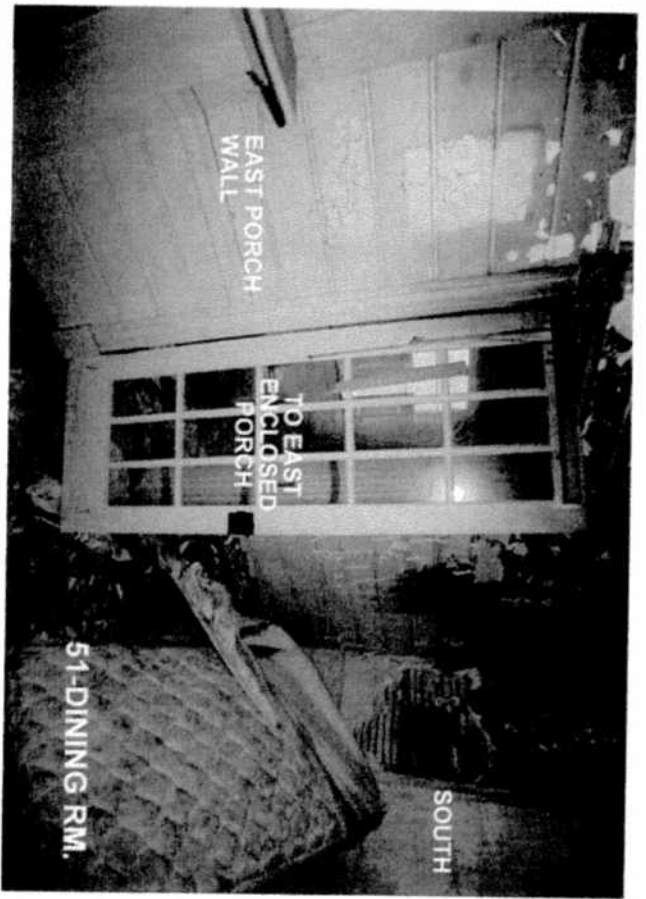
FRAMING IN THE AREA WERE  
TOTALLY DESTROYED-ALL OF  
IT NEEDS TO BE REPLACED

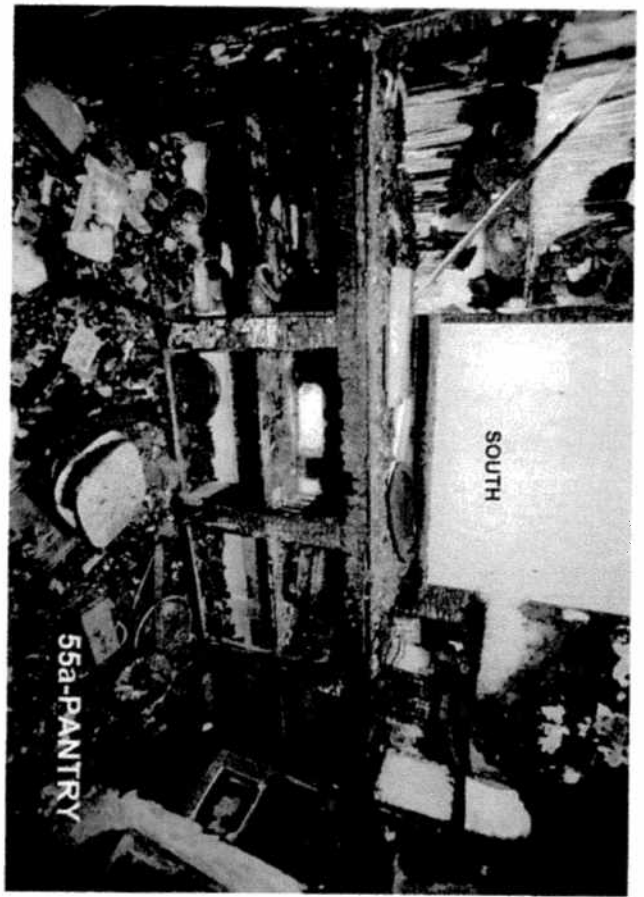
42-LIV. RM  
STAIRS TO  
2nd FLOOR



FIRE RAN THROUGH THE CEILING JOIST  
AND UP INTO THE FRONT WALL - SEE  
2nd FLOOR BATH PICS

50-LIV. RM  
CEILING  
FRONT WALL



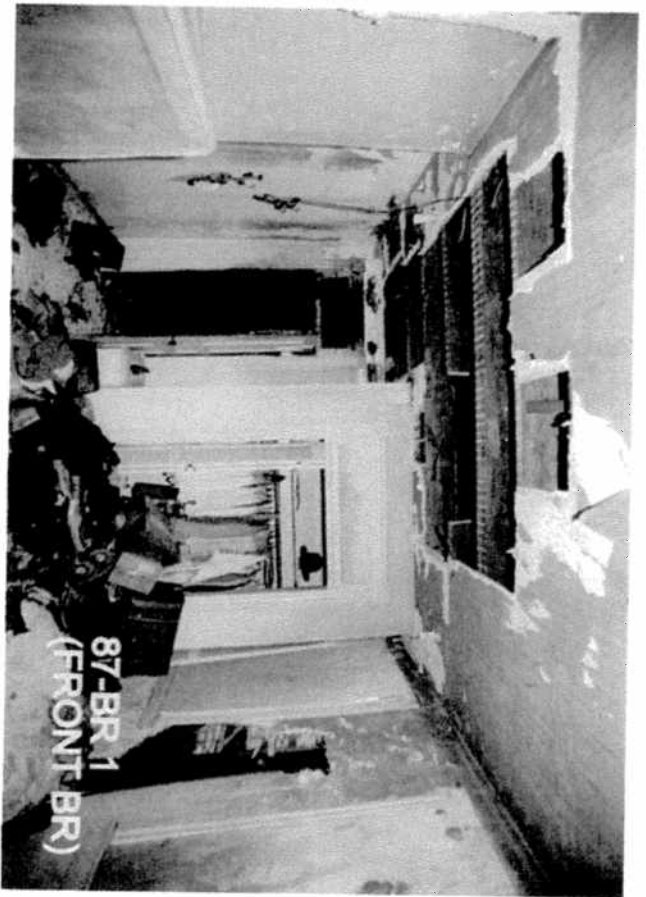


15

97



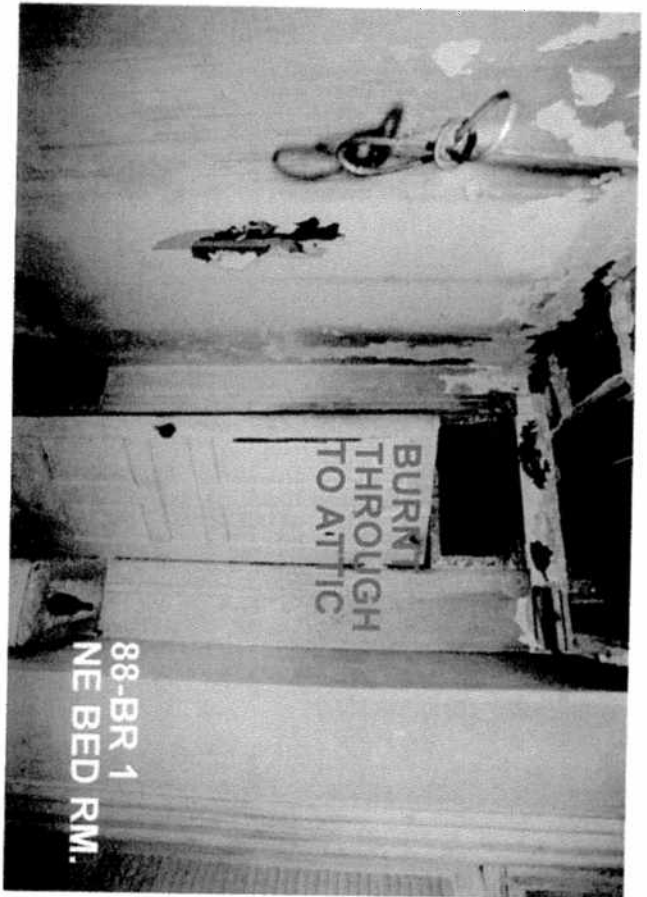
89-BR 2  
EAST WALL



87-BR 1  
(FRONT BR)



90-BR 2  
CEIL. & REAR  
(S. WALL)

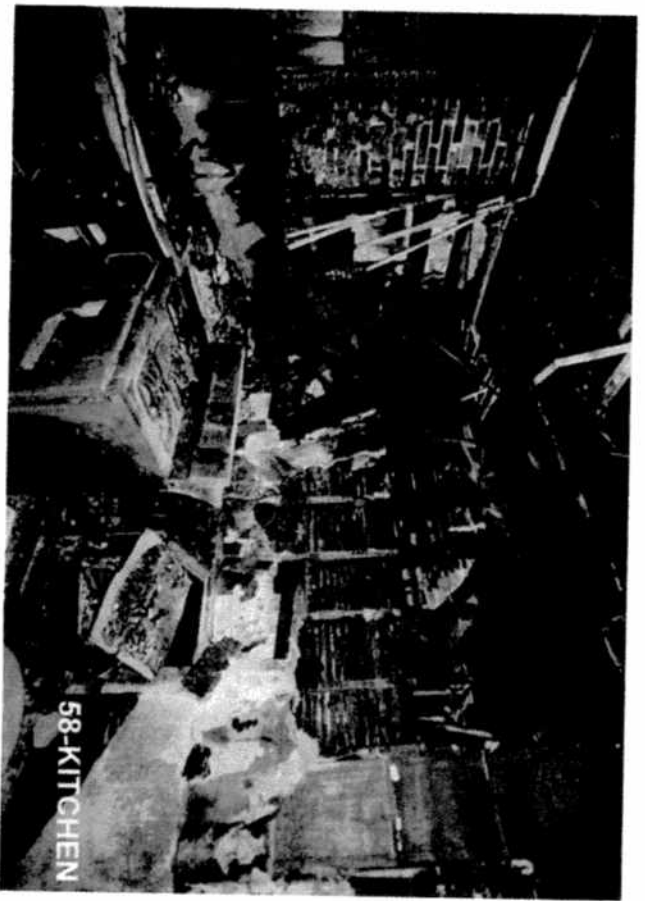


BURNED  
THROUGH  
TO ATTIC

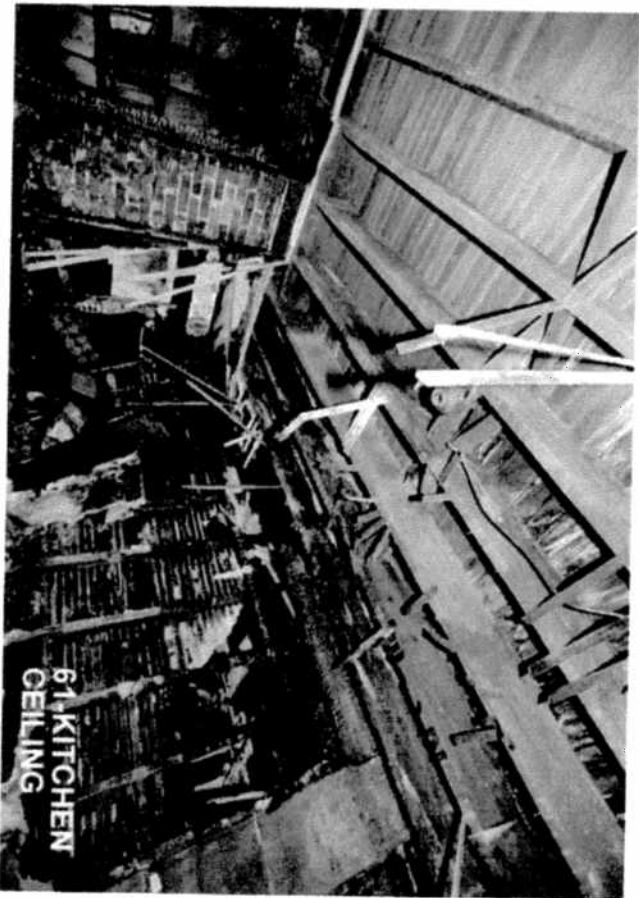
88-BR 1  
NE BED RM.



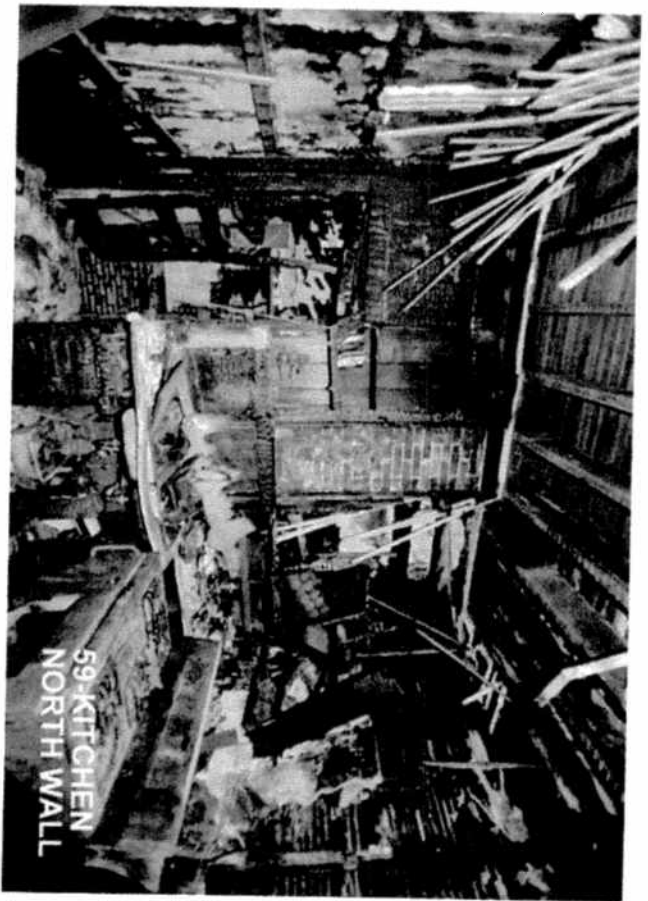
60-KITCHEN  
EAST WALL



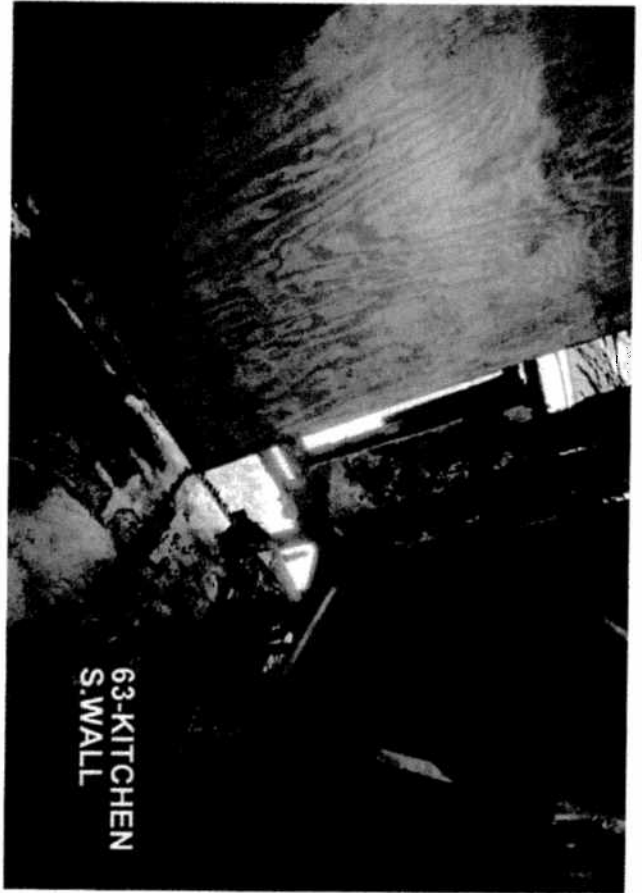
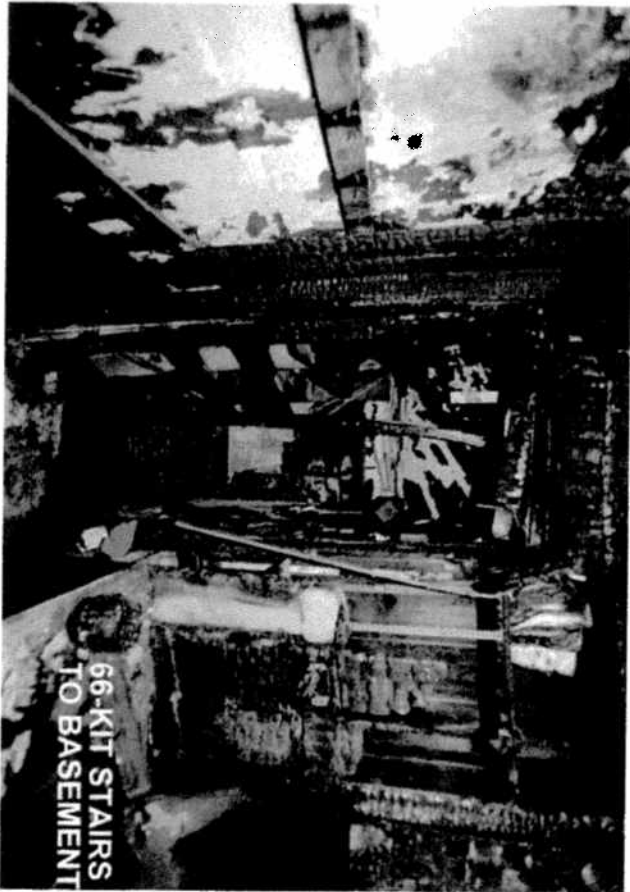
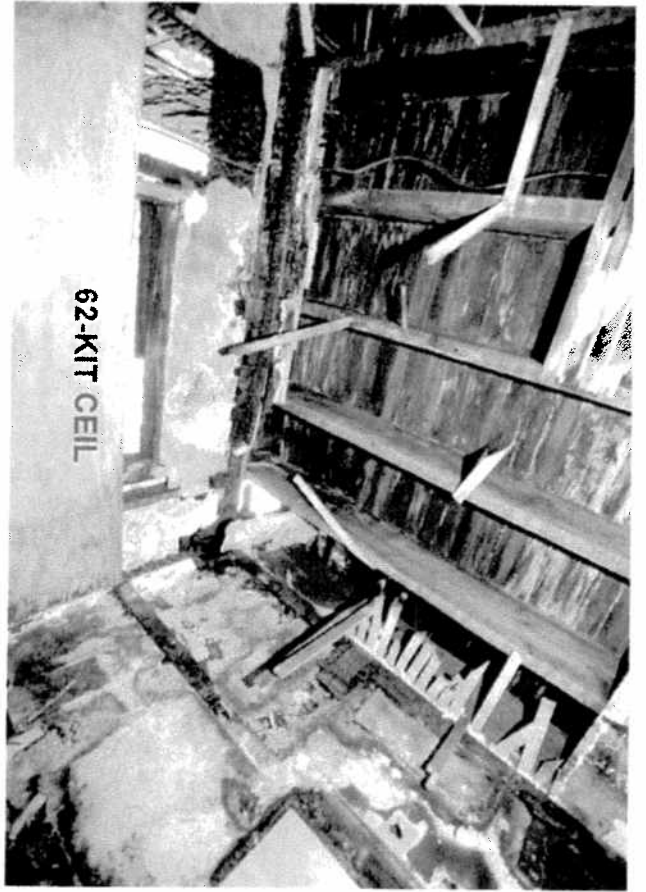
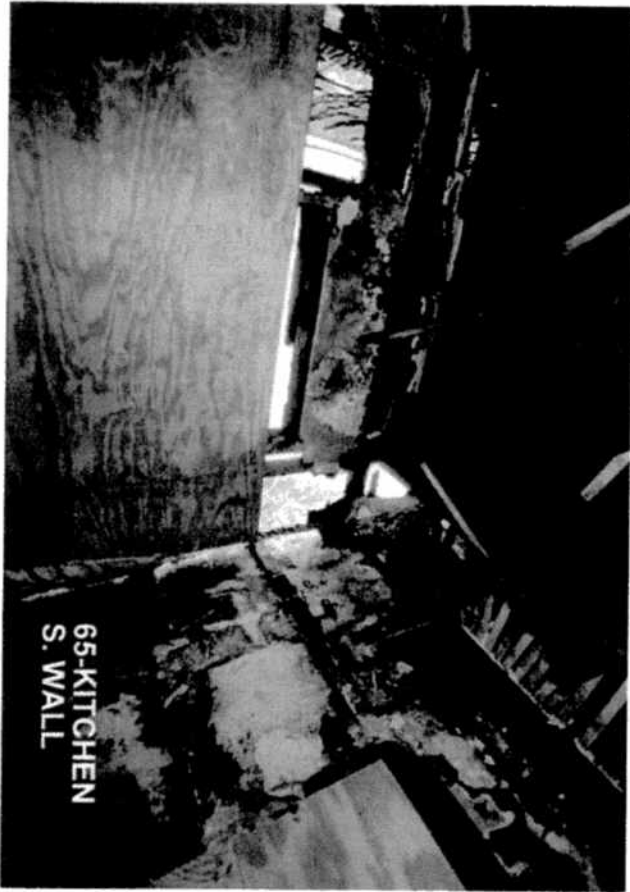
58-KITCHEN

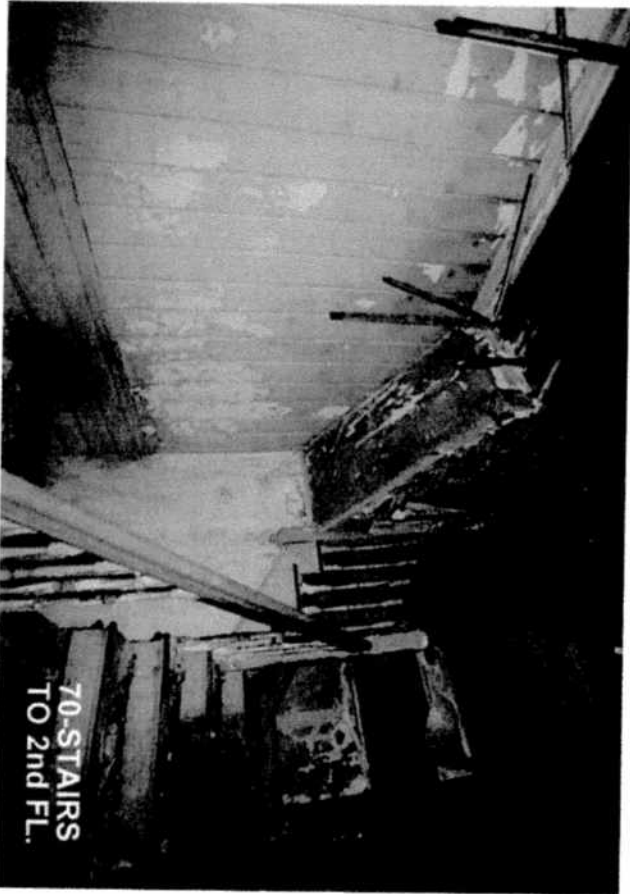


61-KITCHEN  
CEILING



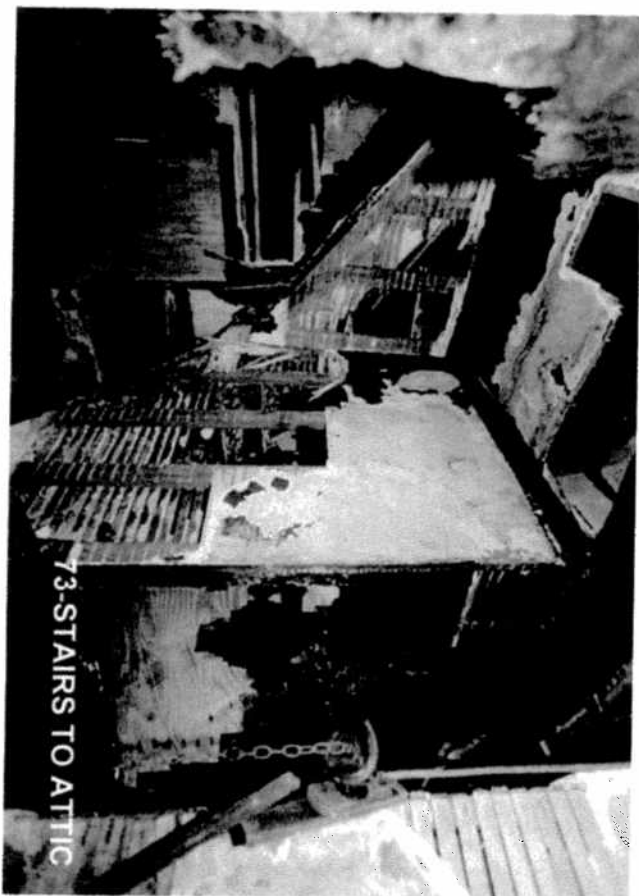
59-KITCHEN  
NORTH WALL





(19)

(101)



73-STAIRS TO ATTIC



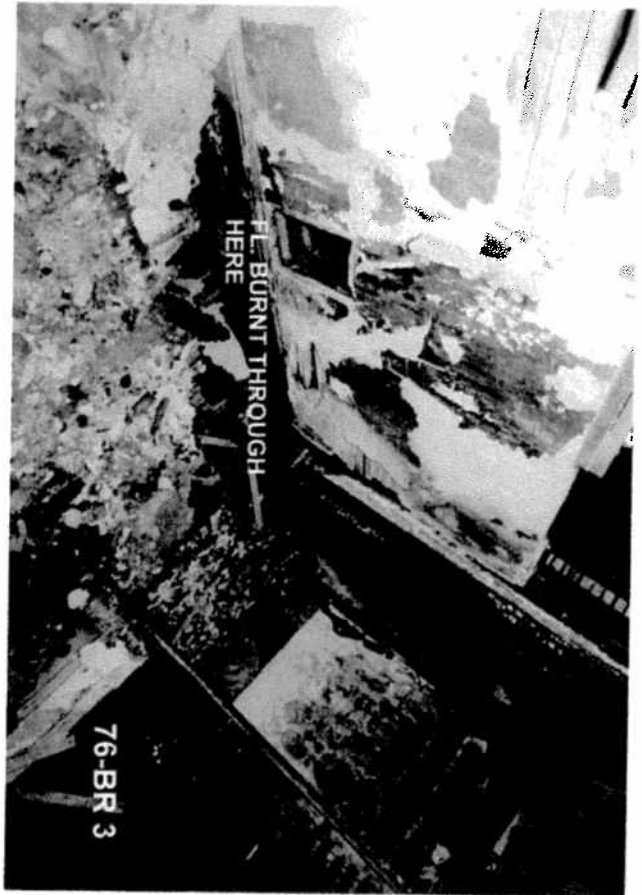
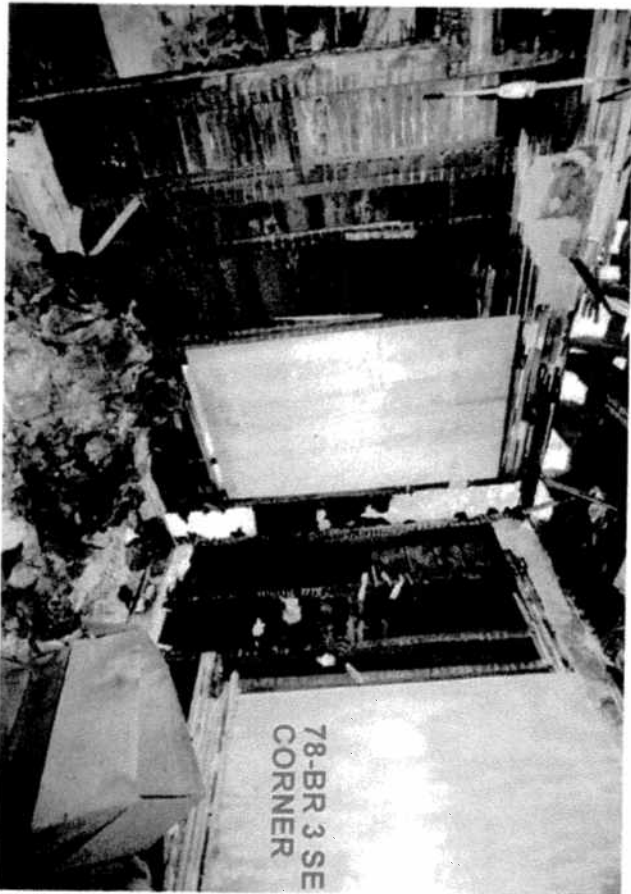
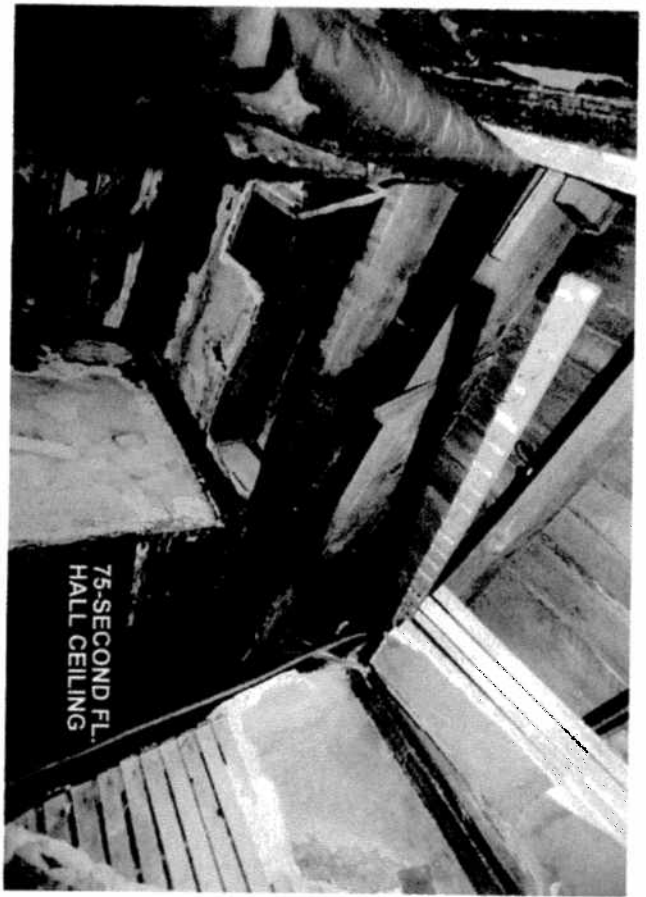
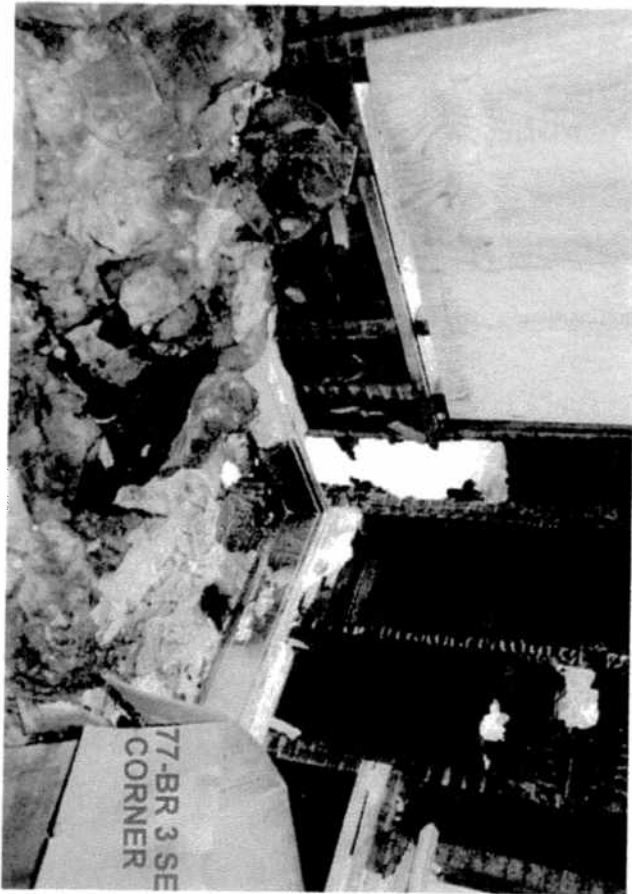
71-STAIRS TO 2nd FL.



74-STAIR WELL



72-STAIR WELL TO 2nd FLOOR

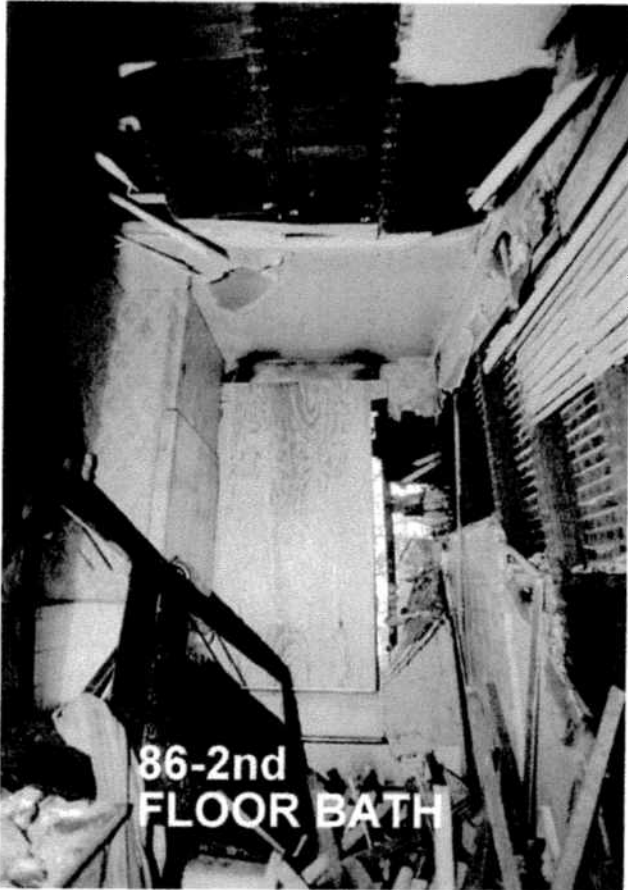




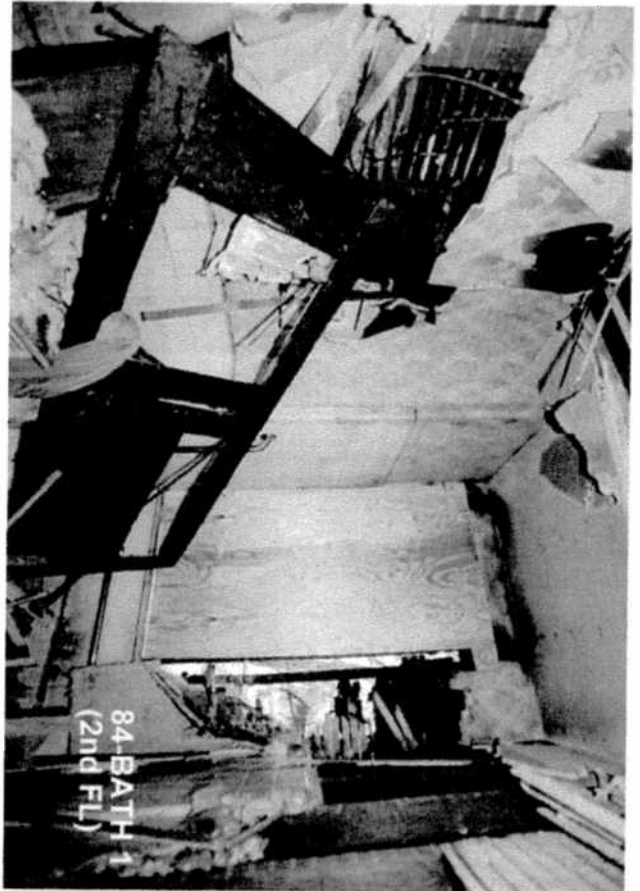
85 - 2nd  
FLOOR BATH



83-BR 3  
CEILING

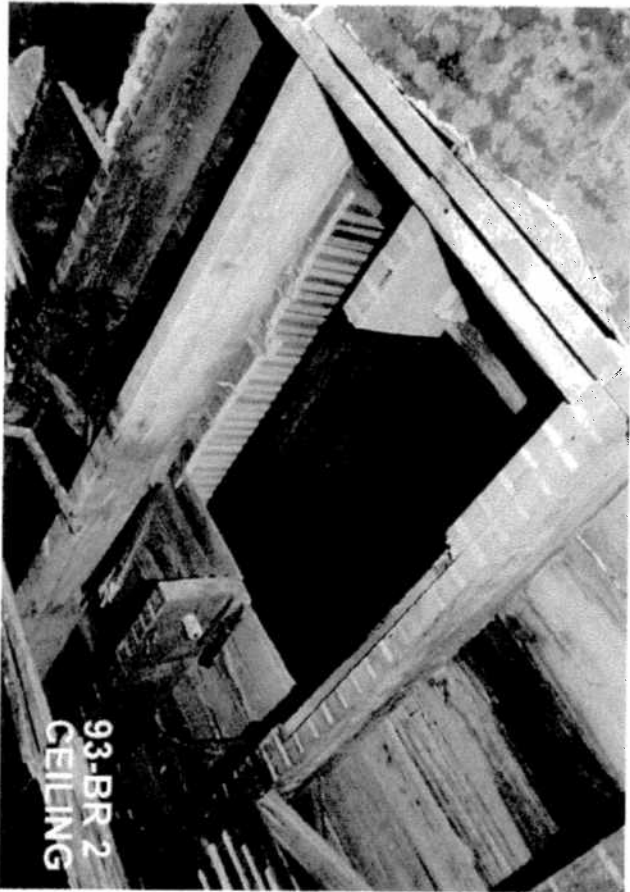


86-2nd  
FLOOR BATH

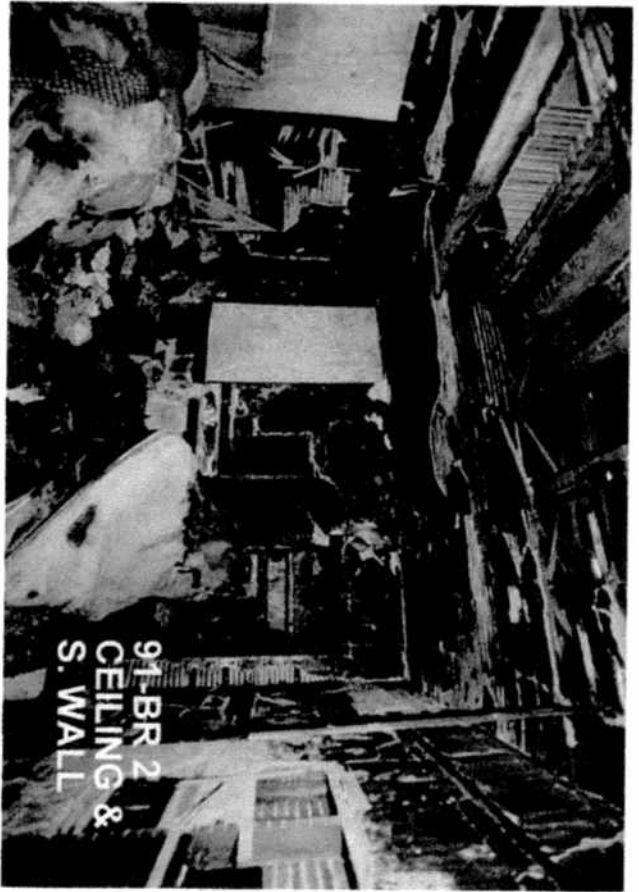


84-BATH 1  
(2nd FL)

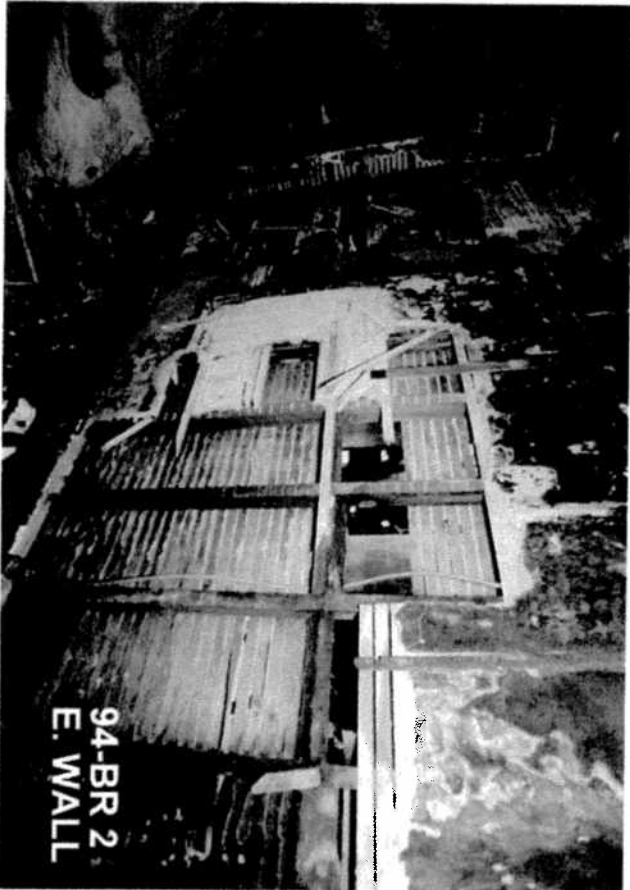
28



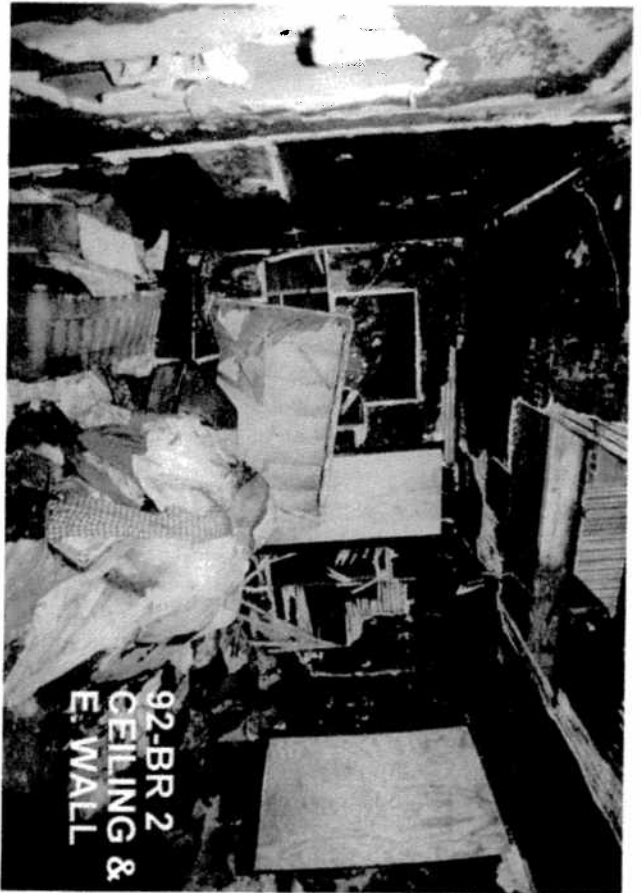
93-BR 2  
CEILING



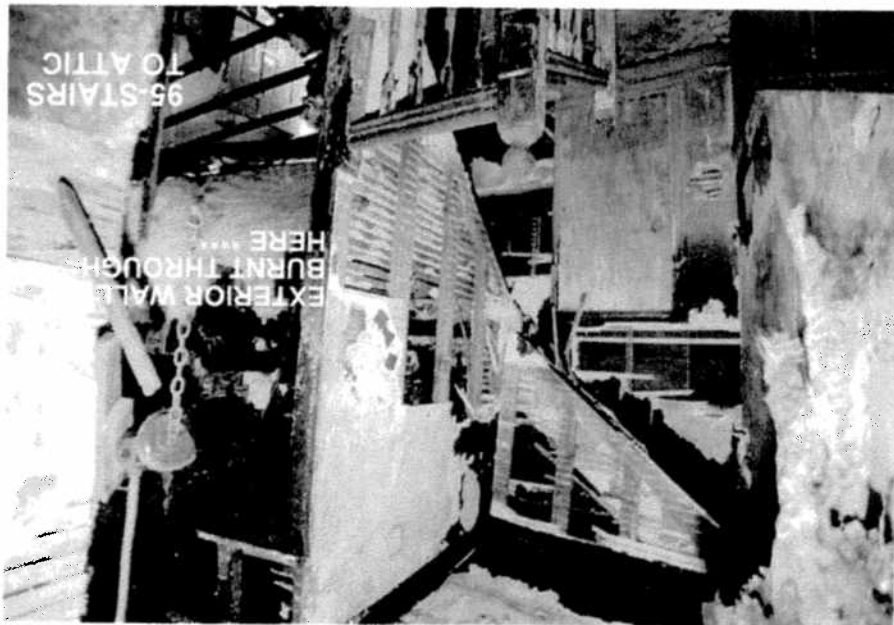
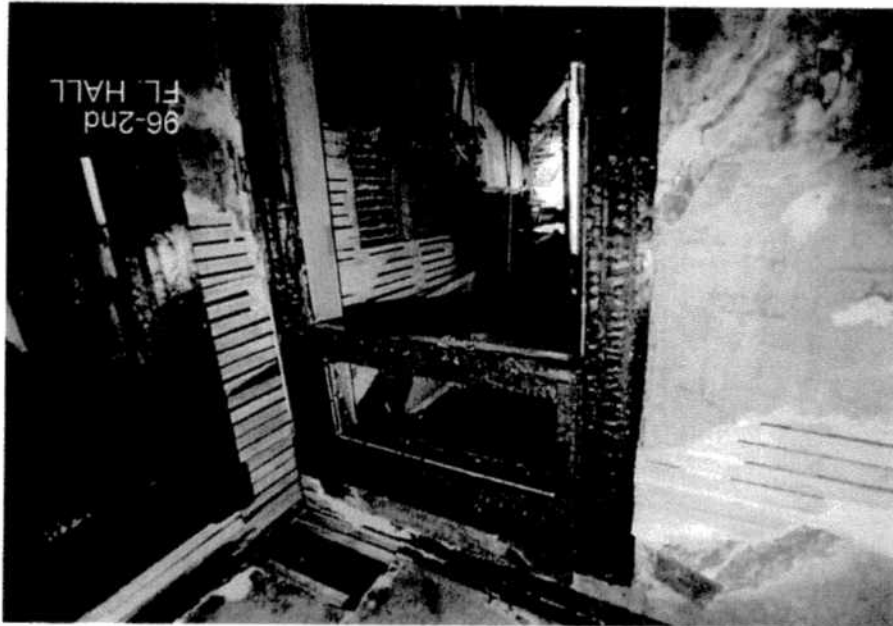
91-BR 2  
CEILING &  
S. WALL



94-BR 2  
E. WALL

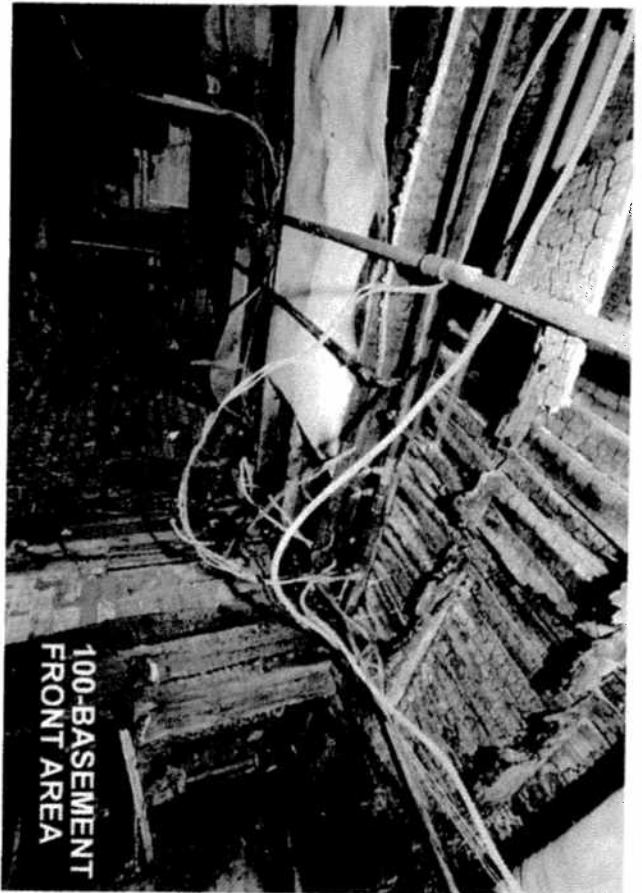
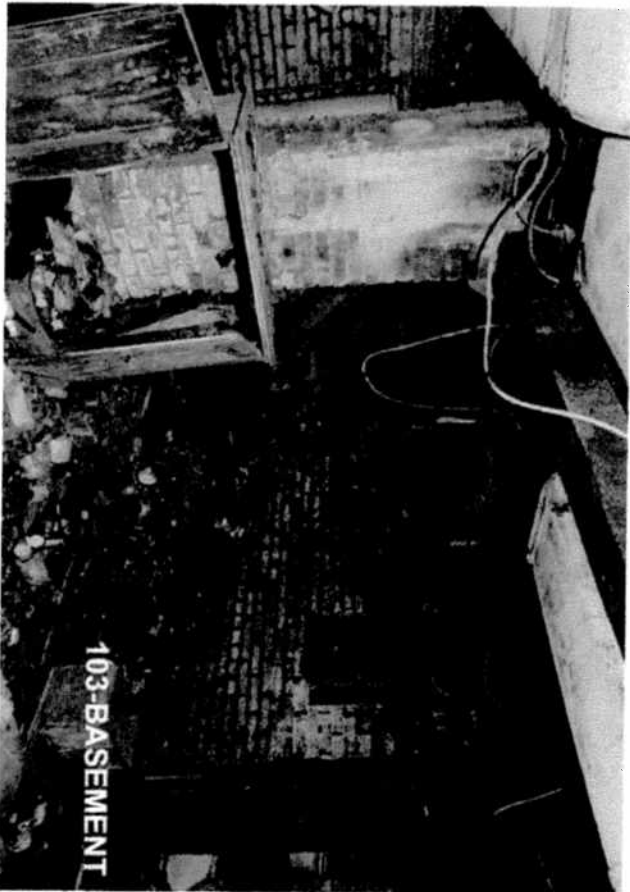
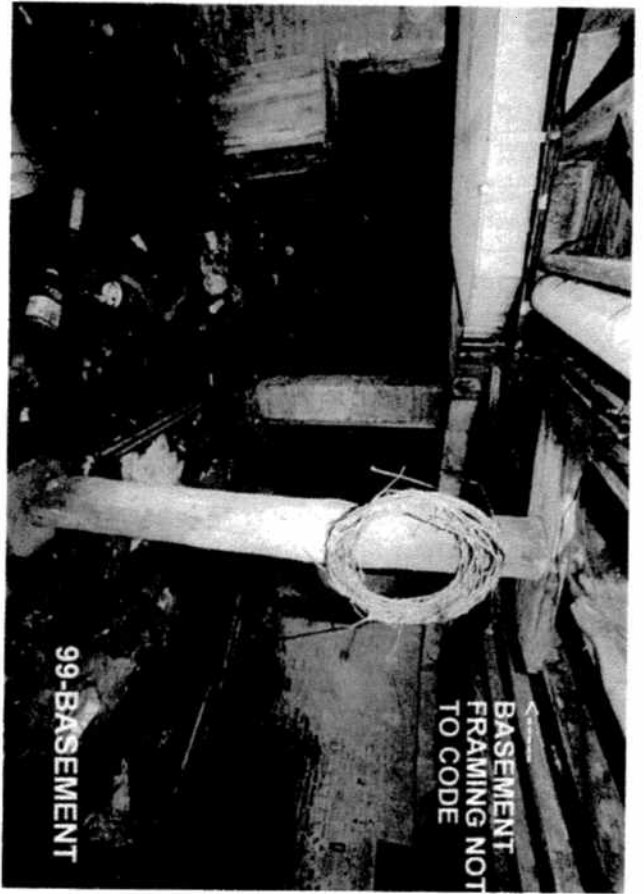
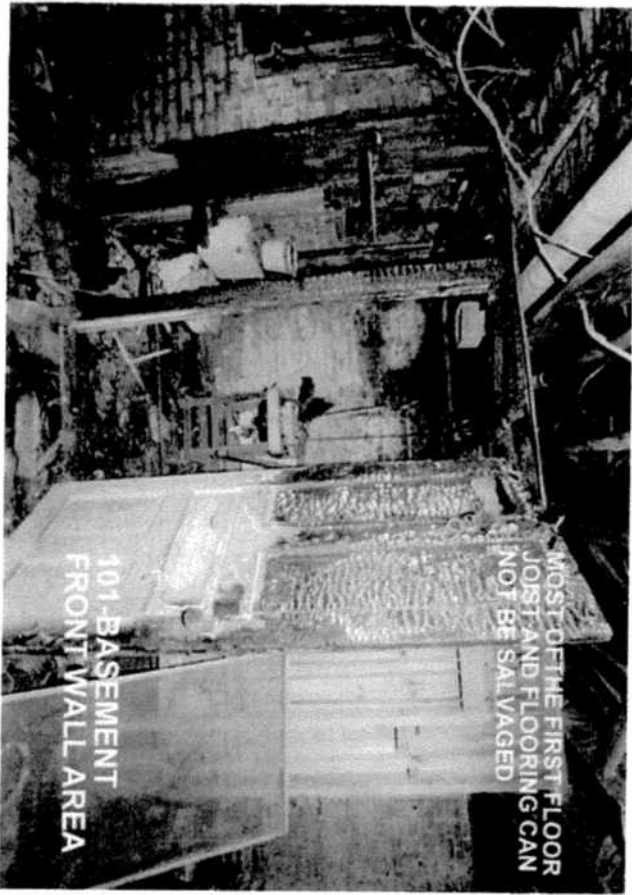


92-BR 2  
CEILING &  
E. WALL



57

106



RUNEY CONSTRUCTION CO.  
Estimate For - Dave Reynolds  
3914 Baltimore St. - Kensington, Md.  
Restore to Pre-Fire Condition  
April 4, 2011

	Quant.	Unit	Unit Price	Amount
<b>Fire Clean Up, Demolition &amp; Safety Work</b>				
Temporary shoring for safety - Car 3 Carp - 3 days	72	hrs	35.00	2,520
Laborers 2 Labor - 3 days	48	hrs	27.50	1,320
Materials	1	ls	1,115	1,115
Clean out inside of house - labor 1 Super, 3 lab	108	hrs	35.00	3,780
Dumpsters	5	ea	550	2,750
Remove damaged structure and sl 3 Carp - 2 lab, 20 day	20	da	500	17,500
Spray bal of structure w/ smoke killer	1	ls	3,715	3,715
				0
<b>Soft Cost</b>				
Architectural	1	ls		
Engineering	1	ls	7,500	7,500
Boundary Line Adjustment				
Site Plan				
Survey	1	ls		
Permits	1	ls	2,500.00	2,500
Sales Commission - sell for		ls		
Insurance - builders risk	1	ls	1,500.00	1,500
				0
<b>Hard Costs</b>				
General Conditions				0
Supervision - 10 mos.	43	wks	1,250	53,750
Punch out	1	ls	3,000	3,000
Dumpsters for on going construction	5	ea	550	2,750
Weekly clean up	26	ea	125	3,225
Temp toilet	7	mos	110	770
Temp elect	1	ls	600	600
Final clean	1	ea	3,500	3,500
Site				0
Termite treatment	1	ea	1,235.00	1,235
Remove and/or prune back/cut trees & shrubs for const.	1	ls	1,750.00	1,750
Erosion controls - silt fencing	435	lf	2.75	1,196
Re-run gutter drainage				0
Landscaping				0
Grade & seed	1	ls	3,750	3,750
Replant shrubs	allow	1	ls	2,500
Repairs to brick portion of drive	allow	1	ls	1,000.00
Repair brick patios and brick walls	allow	1	ls	7,500.00
Stamped conc.	N/A			0
Structural				0
Structural steel -	none			0



Basement repairs					0
Point up/replace deteriorating brick in walls	103	sf	27	2,781	
Beams - add one new oak beam	1	ls	1,300	1,300	
Columns - two new, replace two exist	4	ea	230	920	
Column pads - 4 new	4	ea	175	700	
Floor - patch concrete	allow	1	1,235	1,235	
New wood stairs from kitchen	1	ls	1,450	1,450	
Repair outside stair well steps, cover & walls-allow	1	ls	1,130	1,130	
Under pinning - none				0	
Repair leaks				0	
Framing					0
Framing labor	2,455	sf	35	85,925	
Framing materials	2,455	sf	18.00	44,190	
Oak framing member (joist, plates, studs, rafters)				0	
Pine 1x6 wall & roof sheathing				0	
Other framing material	allow	1	3,500.00	3,500	
Misc.					0
New iron railing-rear steps from kitchen	1	ls	1,236.00	1,236	
Re-anchor & paint front steps railing	1	ls	575.00	575	
Rough & Close-in					0
Roofing Membrane	21.5	sq	35.00	753	
Roofing-35 yr shingles	21.5	sq	425.00	9,138	
Gutters & downspouts	149	lf	16.40	2,444	
Metal Roof	none			0	
Cedar Shingles Siding	4,300	sf	5.50	23,650	
Siding labor	4,300	sf	2.50	10,750	
Fascia - lab. & mat.	800	lf	4.50	3,600	
Frieze	400	lf	4.00	1,600	
Exterior trim-material	1	sf	3,150.00	3,150	
Exterior trim-labor (in framing price)		sf		0	
Porch ceiling -wood bead board lab & mat.	108	sf	10.00	1,080	
Windows	1	ls	45,555.00	45,555	
Exterior doors	1	ls	11,710.00	11,710	
Exterior door hardware	1	ls	675.00	675	
Patio doors - none	1	ls		0	
Insulation - walls R13, attic R38	1	ls	12,886	12,886	
Interior					0
Drywall	8,205	sf	2.50	20,513	
Interior trim material-new space & exist	833	sf	6.25	5,206	
Interior doors-pre-hung w/passage sets	35	lf	275	9,625	
Trim labor	1	sf	23,000	23,000	
Living room wood wainscoating	1	ea	5,000	5,000	
Other wood wainscoating	1	ls	1,500	1,500	
Set cabinets	1	ls	825	825	
Stairs-fabrication - (3) levels to attic	1	ls	27,550	27,550	
Stairs-labor to set, install hand rails & balusters	1	ls	7,350	7,350	
Fireplace repairs	allow	1	5,000	5,000	
Mechanical					0
HVAC	7.5	tons	3,000	22,500	

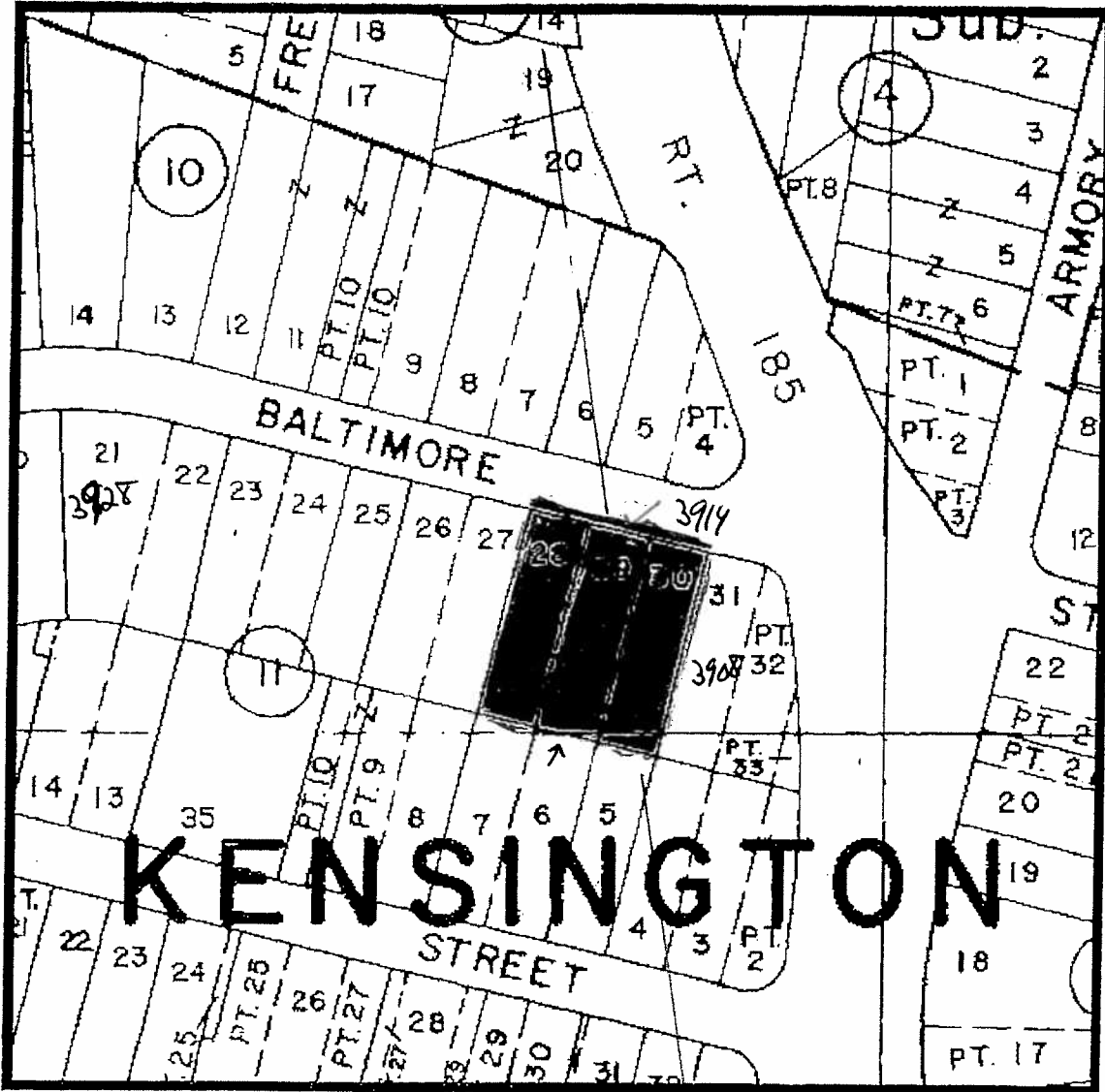
Electrical - boxes & wiring		1	ls	15,000	15,000
Electrical - emergency generator - none		1	ls	0	0
Plumbing		1	ls	15,720	15,720
Finish		1			0
Kitchen cabinets		1	ls	11,000	11,000
Vanity tops		1	ls	890	890
Formica Counter tops		1	sf	3,200	3,200
Appliances	allow	1	ls	6,600	6,600
Interior door hardware	allow	1	ls	1,120	1,120
Mirrors	allow	1	ls	500	500
Shower doors & enclosures	allow	1	ls	1,100	1,100
Bath accessories	allow	1	ls	250	250
Plumbing fixtures	allow	1	ls	2,750	2,750
Electrical fixtures	allow	1	ls	1,825	1,825
Ceramic tile & labor new		1	ls	2,840	2,840
Painting interior		2,495	sf	3.50	8,733
Painting exterior		1	ea	7,230.00	7,230
Vinyl flooring		162	sf	7.25	1,175
Carpet & pad - allowance mat. & labor		0	sy	0.00	0
Hardwood floors - new - labor & material		2,263	sf	15.50	35,077
					0
Basement bathroom	allow	1	ls	12,500	12,500
					658,235
Contractors Overhead (12%) and Profit (10%)				22%	144,812
					803,047



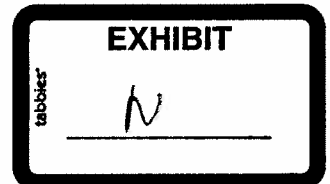
Maryland Department of Assessments and Taxation  
MONTGOMERY COUNTY  
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District - 13 Account Number - 01024012



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# Dave Devadas

Broker - 301-767-0600

*Making Dreams Come True, One Home At A Time!*

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Fax: 301-767-0604

**ddevadas@APREINC.COM**

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## Metropolitan Regional Information Systems, Inc.

**MC7516589 - MONTGOMERY**  
**3908 BALTIMORE ST, KENSINGTON, MD 20895**

**Full Listing**  
**Residential**

Image 1 of 19 [Slideshow](#) · [Album](#)



**Status:** Cntg/No Ko  
 Ownership: Fee Simple  
 Sale or Rental: Sale  
 Listing Type: Excl. Agency  
 Foreclosure: No  
 Adv Sub: Kensington  
 Legal Sub: KENSINGTON  
 Condo/Coop Proj Name:

Style: Victorian  
 Type: Detached  
 TH Type:  
 #Levels: 4  
 Auction: No  
 #Fireplaces: 5  
 Model:

**List Price: \$875,000**  
 Inc City/Town: KENSINGTON  
 Zip: 20895 - 3906  
 Election District: 13  
 Potential Short Sale: No  
 ADC Map Coord: 1

Tax ID: 161301823511  
 HOA Fee: /  
 C/C Fee: /

TOT EST CHRGS: \$9,010  
 Tax Year: 2010  
 Lot AC/SF: .38/16,479

Area:  
 Level Location:  
 Age: 113  
 Year Built: 1898

Elementary: KENSINGTON PARKWOOD Middle: NORTH BETHESDA

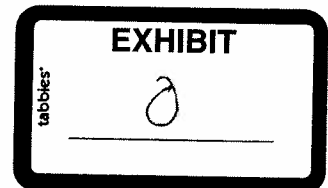
High: WALTER JOHNSON

**INTERIOR**

	Total	Main	Upper 1	Upper 2	Lower 1	Lower 2
<b>Bedrooms:</b>	6	0	4	2	0	0
<b>Full Baths:</b>	3	1	1	1	0	0
<b>Half Baths:</b>	0	0	0	0	0	0

Room	Dimensions	Level	Flooring	Fireplace
Living Room	x	Main	Hardwood	Wood Burning
Dining Room	x	Main	Wood	Wood Burning
Bedroom-Master	x	Upper 2	Carpet	
Bedroom-First	x	Upper 1	Carpet	
Bedroom-Second	x	Upper 1	Carpet	
Bedroom-Third	x	Upper 1	Carpet	Wood Burning
Bedroom-Fourth	x	Upper 2	Carpet	
Bedroom-Fifth	x			
Bedroom-Master #2	x	Upper 1	Carpet	
Sitting Room	x			
Kitchen	x	Main	Slate	
Recreation Room	x	Main	Carpet	

112





Project Approved:  
Possession: 0-30 Days CD  
Tenant Rights:

Investor Ratio:

Total Units:

**HOA/CONDO**

HOA Fee: /  
Condo/Coop Fee: /  
HOA/Condo/Coop Amenities:  
HOA/Condo/Coop Rules:  
HOA/Condo/Coop Fee Includes:  
HOA/Condo/Coop Management:

HOA: No

**LEGAL INFORMATION**

Tax Map:  
Section:  
Liber: 5302  
Zoning Code: R60  
Historic Designation ID:  
Contract Info: Call LA-cont info  
Disclosures: Prop Disclosure  
Documents:  
Special Permits:

Lot #: 31  
Phase:  
Folio: 389

Block/Square: 11  
Parcel Number:

Master Plan Zoning:

**PROPERTY MANAGEMENT**

Property Mgmt Company:  
Prop Mgr's Name:

Office:  
Phone:

**Broker Name:** Keller Williams Team Realty

List Date: 21-Jan-2011  
VRP: No  
Low Price: \$875,000

Orig List Price: \$875,000  
Prior List Price:  
Status Change Date: 07-Feb-2011

Off Mkt Date:  
DOM-MLS: 17  
DOM-Prop: 17

**SOLD INFORMATION**

Contingency Type: Other  
Contract Date: 06-Feb-2011

Last Cont Expires: 13-Mar-2011  
Sell/Rent Agency:

# of Hrs to KO:

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Print Map

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 MONTGOMERY COUNTY

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**Account Identifier:** District - 13 Account Number - 01823511

**Owner Information**

**Owner Name:** SCHIPONI MARK & CHRISTINE K **Use:** RESIDENTIAL  
**Principal Residence:** YES  
**Mailing Address:** 3908 BALTIMORE ST **Deed Reference:** 1) /27262/ 00274  
 KENSINGTON MD 20895-3906 2)

**Location & Structure Information**

**Premises Address:** 3908 BALTIMORE ST  
 KENSINGTON 20895-3906  
**Legal Description:** PT LTS 32 & 33  
 KENSINGTON PARK

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No: Plat Ref:
HP43	0000	0000		0015		11	31	1	

**Special Tax Areas:**  
**Town:** KENSINGTON  
**Ad Valorem Tax Class:** 27

Primary Structure Built	Enclosed Area	Property Land Area	County Use
1898	3,190 SF	16,479 SF	111

Stories	Basement	Type	Exterior
2.500000	YES	STANDARD UNIT FRAME	

**Value Information**

	Base Value	Value		
		As Of	Phase-in Assessments	As Of
		01/01/2010	07/01/2010	07/01/2011
<b>Land</b>	484,510	468,800		
<b>Improvements:</b>	345,000	300,100		
<b>Total:</b>	829,510	768,900	768,900	768,900
<b>Preferential Land:</b>	0			0

**Transfer Information**

<b>Seller:</b> DOWNEY, EDGAR J	<b>Date:</b> 04/09/2004	<b>Price:</b> \$648,900
<b>Type:</b> ARMS LENGTH IMPROVED	<b>Deed1:</b> /27262/ 00274	<b>Deed2:</b>
<b>Seller:</b> WILSON, DAVID A &	<b>Date:</b> 01/10/2000	<b>Price:</b> \$350,000
<b>Type:</b> NON-ARMS LENGTH OTHER	<b>Deed1:</b> /17801/ 00519	<b>Deed2:</b>
<b>Seller:</b>	<b>Date:</b>	<b>Price:</b>
<b>Type:</b>	<b>Deed1:</b>	<b>Deed2:</b>

**Exemption Information**

Partial Exempt Assessments	Class	07/01/2011	07/01/2012
<b>County</b>			0.00
<b>State</b>			0.00
<b>Municipal</b>			0.00

**Tax Exempt:** **Special Tax Recapture:**  
**Exempt Class:** \* NONE \*

(115)



# Dave Devadas

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## Metropolitan Regional Information Systems, Inc.

**MC7288956 - MONTGOMERY**  
**3928 BALTIMORE ST, KENSINGTON, MD 20895**

**Full Listing**  
**Residential**

Image **1** of **29**    [Slideshow](#) · [Album](#)



**Status: Sold**  
 Close Date: 08-Oct-2010  
 Ownership: Fee Simple  
 Sale or Rental: Sale  
 Listing Type: Excl. Right  
 Foreclosure: No  
 Adv Sub: Kensington  
 Legal Sub: KENSINGTON  
 Condo/Coop Proj Name:

Style: Victorian  
 Seller Subsidy: \$20000.0  
 Type: Detached  
 TH Type:  
 #Levels: 4  
 Auction: No  
 #Fireplaces: 1  
 Model: Classic Victorian

**List Price: \$999,000**  
 Close Price: \$970,000  
 Inc City/Town: KENSINGTON  
 Zip: 20895 - 3906  
 Election District: 13  
 Potential Short Sale: No  
 ADC Map Coord: 36C4

Tax ID: 161301023360  
 HOA Fee: /  
 C/C Fee: /

TOT EST CHRGS: \$10,933  
 Tax Year: 2009  
 Lot AC/SF: .47/20,310

Area:  
 Level Location:  
 Age: 113  
 Year Built: 1898

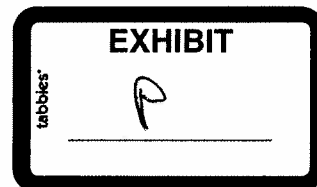
Elementary: KENSINGTON PARKWOOD    Middle: NORTH BETHESDA    High: WALTER JOHNSON

**INTERIOR**

	Total	Main	Upper 1	Upper 2	Lower 1	Lower 2
<b>Bedrooms:</b>	4	0	4	0	0	0
<b>Full Baths:</b>	2	0	2	0	0	0
<b>Half Baths:</b>	1	1	0	0	0	0

Room	Dimensions	Level	Flooring	Fireplace
Living Room	x	Main	Hardwood	Wood Burning
Dining Room	x	Main	Hardwood	
Bedroom-Master	x	Upper 1	Hardwood	
Bedroom-First	x			
Bedroom-Second	x	Upper 1	Hardwood	
Bedroom-Third	x	Upper 1	Hardwood	
Bedroom-Fourth	x	Upper 1	Hardwood	
Bedroom-Fifth	x			
Bedroom-Master #2	x			
Sitting Room	x			
Kitchen	x	Main	Ceramic Tile	

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**Assessments:**



Land: \$540,800

Project Approved:  
Possession: Settlement  
Tenant Rights:Water/Sewer Hook-up:  
Special Tax Assess: \$2,224  
Improvements: \$467,000  
Investor Ratio:Front Foot Fee: \$  
Yr Assessed: 2010  
Phase-in Value: \$1,007,800  
Total Units:**HOA/CONDO**HOA Fee: /  
Condo/Coop Fee: /  
HOA/Condo/Coop Amenities:  
HOA/Condo/Coop Rules:  
HOA/Condo/Coop Fee Includes:  
HOA/Condo/Coop Management:

HOA: No

**LEGAL INFORMATION**Tax Map:  
Section:  
Liber: 4855  
Zoning Code: R60  
Historic Designation ID:  
Contract Info: Home Warranty, Local Assoc Contr  
Disclosures: Historic Property, Prop Disclosure  
Documents: Surv-House Loc  
Special Permits:Lot #: 21  
Phase:  
Folio: 817Block/Square: 11  
Parcel Number:**PROPERTY MANAGEMENT**Property Mgmt Company:  
Prop Mgr's Name:Office:  
Phone:**Broker Name:** ERA Teachers, Inc.List Date: 24-Mar-2010  
VRP: No  
Low Price: \$999,000Orig List Price: \$1,125,000  
Prior List Price: \$1,125,000  
Status Change Date: 08-Oct-2010Off Mkt Date:  
DOM-MLS: 82  
DOM-Prop: 389**SOLD INFORMATION**Contract Date: 13-Jun-2010  
Close Date: 08-Oct-2010  
New 1st Trust Loan Amt:\$648,000  
Selling/Rental Office: ERA69Sell/Rent Agency: Seller Subagency  
Close Price: \$970,000  
New 1st Trust Loan Type: Conventional

Seller Subsidy: \$20000.0

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---	---

**Account Identifier:** District - 13 Account Number - 01023360

**Owner Information**

<b>Owner Name:</b>	BURGER ROBERT K & DEBRA B	<b>Use:</b>	RESIDENTIAL
<b>Mailing Address:</b>	3928 BALTIMORE ST KENSINGTON MD 20895-3906	<b>Principal Residence:</b>	YES
		<b>Deed Reference:</b>	1) /00000/ 00000 2)

**Location & Structure Information**

<b>Premises Address</b>	<b>Legal Description</b>
3928 BALTIMORE ST KENSINGTON 20895-3906	LOT 22 KENSINGTON PARK

Map	Grid	Parcel	Sub District	Subdivision	Section	Block	Lot	Assessment Area	Plat No:	4
HP43	0000	0000		0015		11	21	1		<b>Plat Ref:</b>

**Special Tax Areas**

<b>Town</b>	KENSINGTON
<b>Ad Valorem</b>	
<b>Tax Class</b>	27

<b>Primary Structure Built</b>	<b>Enclosed Area</b>	<b>Property Land Area</b>	<b>County Use</b>
1898	3,458 SF	20,310 SF	111

<b>Stories</b>	<b>Basement</b>	<b>Type</b>	<b>Exterior</b>
2.500000	YES	STANDARD UNIT FRAME	

**Value Information**

	<u>Base Value</u>	<u>Value</u>	<u>Phase-in Assessments</u>	
			As Of	As Of
			01/01/2010	07/01/2011
<b>Land</b>	558,880	540,800		
<b>Improvements:</b>	388,230	467,000		
<b>Total:</b>	947,110	1,007,800	967,340	987,570
<b>Preferential Land:</b>	0			0

**Transfer Information**

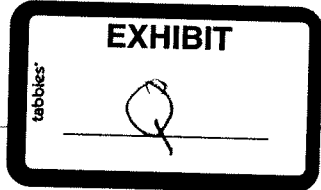
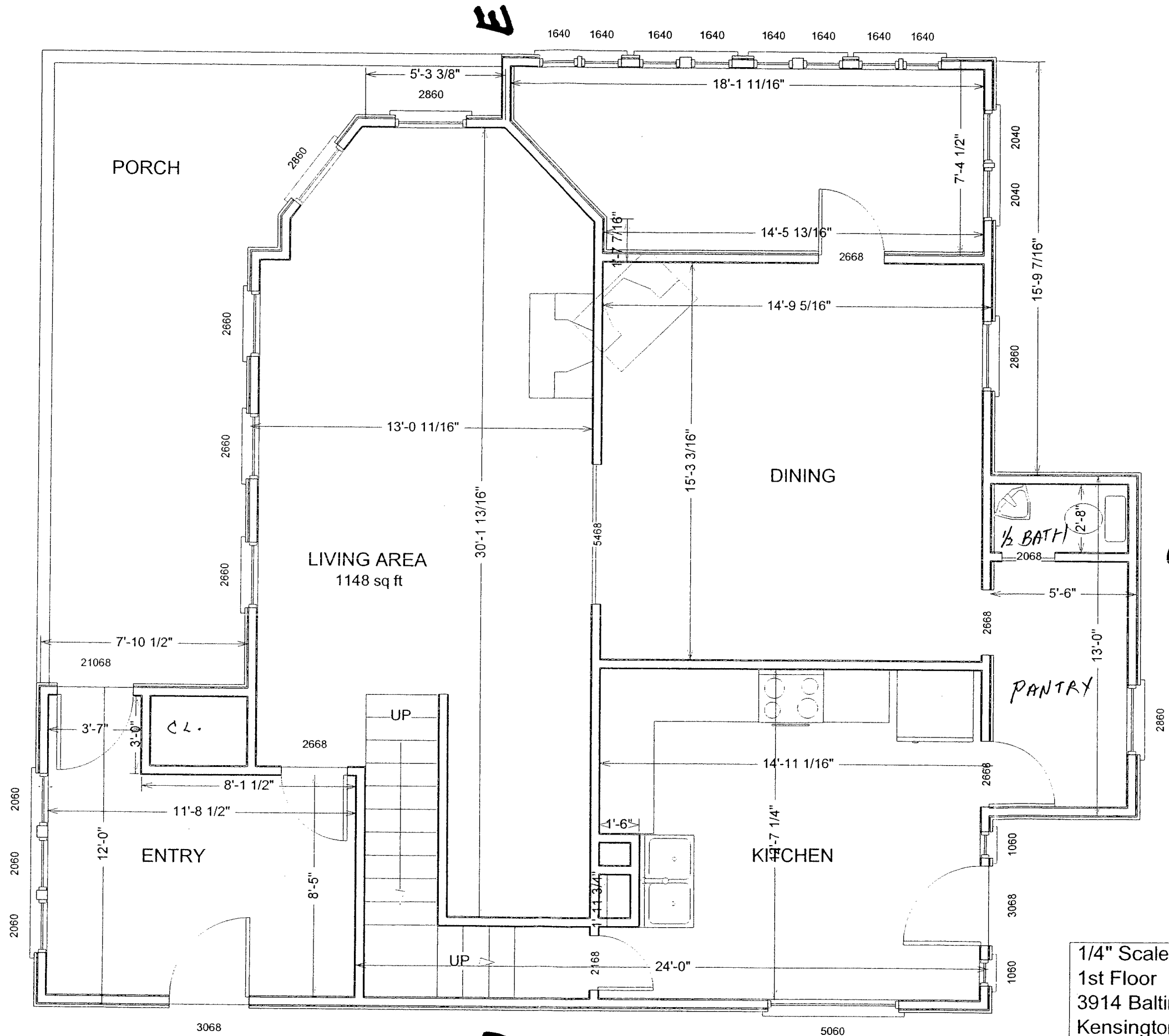
<b>Seller:</b>	ORME, MIRTHA T ET AL	<b>Date:</b>	10/18/2010	<b>Price:</b>	\$970,000
<b>Type:</b>	ARMS LENGTH IMPROVED	<b>Deed1:</b>	/00000/ 00000	<b>Deed2:</b>	
<b>Seller:</b>	JAMES W 3RD & M T ORME	<b>Date:</b>	03/22/1999	<b>Price:</b>	\$0
<b>Type:</b>	NON-ARMS LENGTH OTHER	<b>Deed1:</b>	/16907/ 00380	<b>Deed2:</b>	
<b>Seller:</b>		<b>Date:</b>		<b>Price:</b>	
<b>Type:</b>		<b>Deed1:</b>		<b>Deed2:</b>	

**Exemption Information**

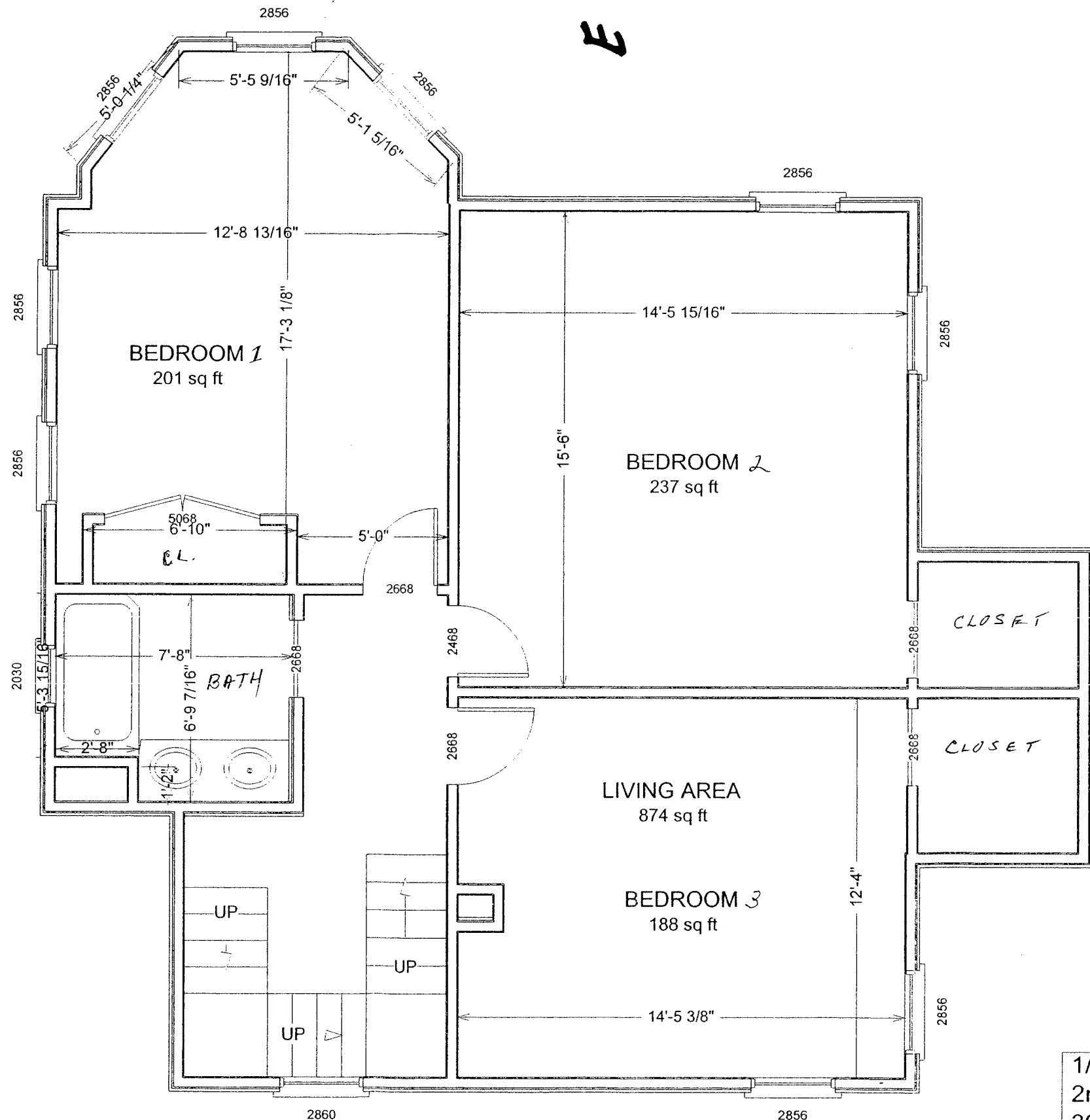
<b>Partial Exempt Assessments</b>	<b>Class</b>	07/01/2011	07/01/2012
<b>County</b>			0.00
<b>State</b>			0.00
<b>Municipal</b>			0.00
<b>Tax Exempt:</b>		<b>Special Tax Recapture:</b>	
<b>Exempt Class:</b>			* NONE *

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PLAN No.



1/4" Scale  
1st Floor  
3914 Baltimore St.  
Kensington, MD 20895



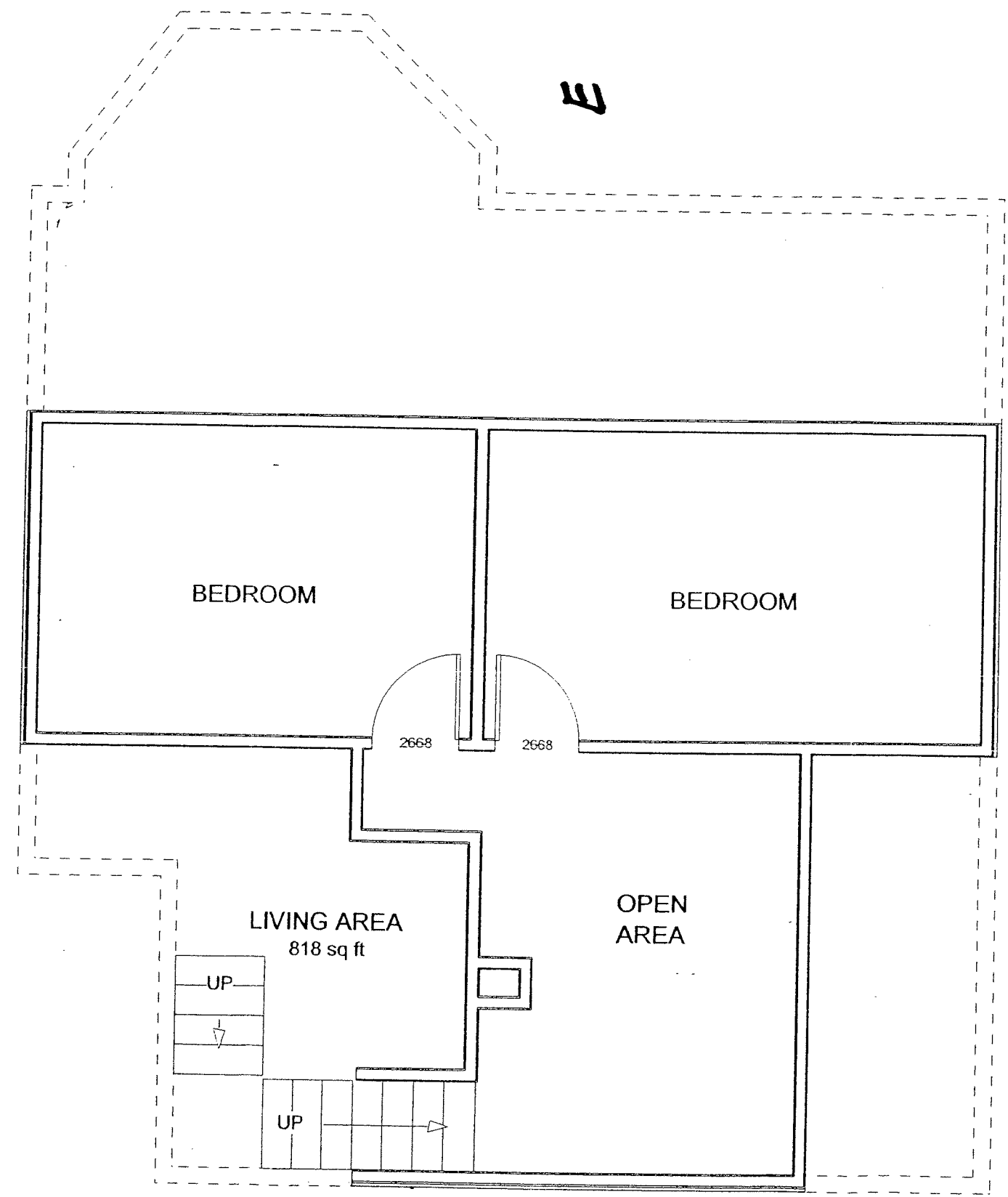
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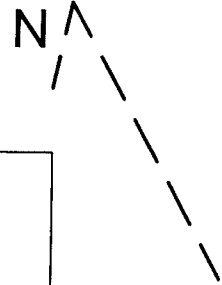
W

1/4" Scale  
 2nd Floor  
 3914 Baltimore St.  
 Kensington, MD 20895

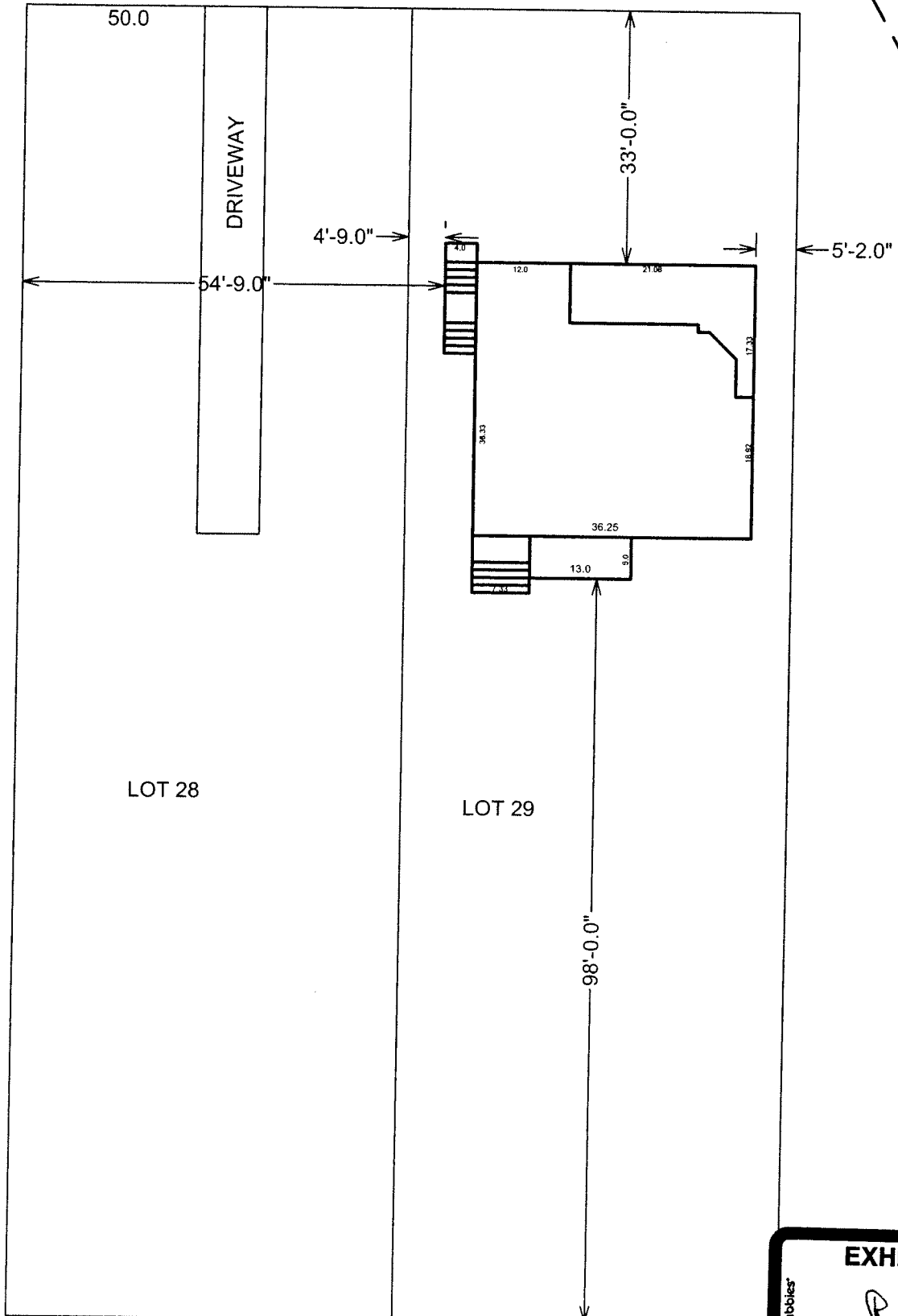


1/4" Scale  
3ed Floor  
3914 Baltimore St.  
Kensington, MD 20895

# SITE PLAN



3914 BALTIMORE ST.



LOT 28

LOT 29

SCALE 1" = 20'

123

tabbies®

**EXHIBIT**

R

# TREES

3914 BALTIMORE ST.

N

50.0

20 DIA.

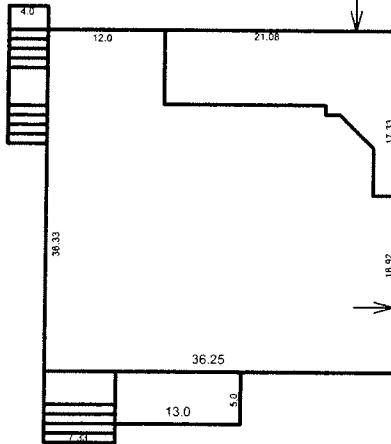
DRIVEWAY

8" DIA

19" DIA. - PINE

21" DIA. - PINE

23'-1.2"



12" DIA. - PINE

6'-8.1"

DEAD TREE

LOT 28

LOT 29

LOT 30

124

tabbles

**EXHIBIT**

5



ATTORNEYS

MARTIN J. HUTT  
DIRECT 301.657.0170  
FAX 301.347.1774  
MJHUTT@LERCHEARLY.COM

April 15, 2011

Montgomery County Historic Preservation Commission  
c/o Scott Whipple  
8787 Georgia Avenue  
Silver Spring, Maryland 20910

Re: 3914 Baltimore Street, Kensington

Dear Commissioners:

We wish to provide the following additional points to the Montgomery County Historic Preservation Commission in its consideration of our position that not allowing the Estates of Osker C. Reynolds and Patricia M. Reynolds to demolish the remnants of the existing house on the above-referenced property will create an "Economic Hardship" upon the two (2) Estates.

The National Trust for Historic Preservation's Preservation Law Reporter Educational Materials, provided to us through the Montgomery County Historic Preservation Commission's web site reflects that the exact meaning of the term "Economic Hardship" depends upon how the standard is defined in the ordinance. Neither Chapter 24A nor the Historic Preservation Executive Regulations set forth standards for "Economic Hardship".

The National Trust for Historic Preservation notes that under many historic preservation ordinances, "economic hardship" is defined as requiring the property owner to establish that he/she has been denied all reasonable beneficial use or return on the property as a result of the historic preservation commission's denial of a permit for alteration or demolition.

According to the National Trust for Historic Preservation materials, factors to be considered in determining "Economic Hardship" include: (a) consideration of the expenditures to implement the commission's decision; (b) reasonable or beneficial use of the property; (c) the owner's ability to continue to reasonably carry out the traditional use of the property or whether another viable use of the property remains; (c) the applicant's "reasonable investment-backed expectations"; (d) whether the alleged hardship is self-created (whether the value of the property declined or rehabilitation expenses increased because the owner allowed the building to deteriorate); and (e) if extensive rehabilitation is required, the applicant must show that the house cannot be sold "as-is" or that the fair market value of the property in its



current condition plus rehabilitation expenditures will exceed the fair market value of the house upon rehabilitation.

From the supporting documentation provided by the Applicant to the Montgomery County Historic Preservation Commission the following facts are clearly established:

1. The estimated cost to rehabilitate the remnants of the existing house to its pre-fire condition is \$800,000.00 (See Exhibit "M"). This estimate is based upon what one visually can see. As in all renovation type projects it is reasonable to expect the cost of rehabilitation will increase as more damage is discovered when interior wall coverings are removed.
2. The National Trust for Historic Preservation materials acknowledge that "investment-backed expectations are different in the context of home ownership; owners often invest in home improvements or renovations without the expectation of recouping the full cost of the improvement in the form of increased property value." This is most likely because the "home owner" contemplated is/are living individuals who will occupy the home and will be able to personally use and enjoy such improvements or renovations until they sell their home therefore receiving actual benefit from the money spent on such improvements or renovations.

Unfortunately, the "home owner" of the subject property is the Estates of Osker C Reynolds and Patricia M. Reynolds, which after expending \$800,000.00 to rehabilitate the remnants of the existing home to its pre-fire condition will not, after expending virtually all of its available liquid assets (\$995,000.00), be able to reasonably use and enjoy the rehabilitated house until it can be sold.

3. The Estates nor their heirs are planning to occupy the home and will not be able to personally use and enjoy such improvements or renovations until they sell the home therefore not receiving actual benefit from the money spent on such improvements and renovations.

The only "investment-backed expectation" of the Estates of Osker C. Reynolds and Patricia M. Reynolds is to sell the subject property and to close out the Estates in accordance with Maryland law.

4. The Estates have been attempting to sell the property "As-Is" since July 2009. The initial asking price of \$1,200,000.00 has been reduced to \$900,000.00 based upon existing declining market conditions. In 2010 a contract was accepted to sell the property for \$800,000.00. The Contract



Purchaser wanted to buy the subject property on the assumption that 2-3 homes could be constructed. During the contract's contingency period(s), the contract purchaser visited the pertinent county offices to conduct their own due diligence and subsequently reduced their offer several times until a final offer of \$680,000.00 was made and rejected by the Estates.

- 5. The Estimated Market Value of the property in its current condition plus rehabilitation expenses is \$1, 670,400.00. This amount is based upon: (a) the current value of the Subject Property (land only) based upon the State Department of Assessments and Taxation's assessed value is \$870,400.00 (See Exhibit "F") and (b) the rehabilitation expenditures to restore the remnants of the existing house to its pre-fire condition is \$800,000.00 (See Exhibit "M").
- 6. It is the opinion of the Estates' listing agent that the subject property (both the land and the house upon rehabilitation to its pre-fire condition) will sell for between \$875,000.00 and \$925,000.00. This sale range is based upon two (2) recent sales of two (2) homes (including land) on Baltimore Street (3908 Baltimore Street listed in January 2011 for \$875, 000.00 and sold for \$811,500.00 and 3928 Baltimore Street which sold for \$970,000.00 (with the Seller contributing \$20,000.00 towards the Buyer's settlement costs) in October 2010 after being on the market for almost 1 year. Both of the houses on these two (2) properties will be larger in size than the house on the subject property when restored to it pre-fire condition. See Exhibits "O", "P" and "Q".

With an anticipated market sale price of between \$875,000.00 and \$925,000.00, the current market value of \$1,670,400.00 (land value of \$870,400.00 plus rehabilitation cost of \$800,000.00) will exceed the \$875,000.00 to \$925,000.00 anticipated market sale price by \$745,400.00 - \$795,400.00 which amount the Estates will suffer as a loss. Therefore, the Estates will suffer Economic Hardship if the demolition permit is denied and the Estates are required to rehabilitate the remnants of the existing house to its pre-fire condition.

- 7. If one does the analysis, as to whether the Estates will suffer a loss, considering only the value of the house, the Estates still suffer a substantial loss if required to rehabilitate the remnant of the existing house to its pre-fire condition. The cost of rehabilitating the remnants of the existing house to its pre-fire condition is \$800,000.00 (See Exhibit "N"). The Maryland Department of Assessments and Taxation values the house by itself on 3908 Baltimore Street at \$300,000.00. See Exhibit "O" The Maryland Department of Assessments and Taxation values the house by itself on

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3928 Baltimore Street at \$467,000.00. Both of these houses will be larger in size than the house on the subject property following rehabilitation to its pre-fire condition. Accordingly, the market value of the existing house after rehabilitation (\$800,000.00) based upon these two sales of larger homes will be between \$300,000.00 and \$467,000.00 which results in a loss of between \$333,000.00 and \$500,000.00 to the Estates based "only" on the value of the home.

Therefore, under either of the two (2) analysis described in paragraphs 5 and 6 above, the current value of the property in its current condition (land only) plus rehabilitation expenditures will exceed the market value of the property and house and/or house alone upon rehabilitation to its pre-fire condition which establishes that the Estates will suffer Economic Hardship if required to rehabilitate the remnants of the existing house to its pre-fire condition.

8. If demolition is denied and rehabilitation is required, for the reasons described above, we do not believe the Estates have the ability to reasonably continue to carry out the traditional use of the property. The subject property is residentially zoned for single family detached homes use and is totally surrounded by single family detached homes. Therefore, we believe that the reasonable or beneficial use of the property is reasonably restricted to this land use. The only way to allow for the reasonable or beneficial use of the property in its current condition is to either rehabilitate the remnants of the existing house to its pre-fire condition and sell the property or to allow demolition of the remnants of the existing house and the subsequent construction by another owner of a new replacement house as approved by HPC. Denying the right to demolish and requiring the Estates to rehabilitate the remnants of the existing house to its pre-condition results in the Estates exhausting virtually all of its liquid assets (\$995,000.00) for rehabilitation expenses (\$800,000.00) plus the Estates having to expend additional monies to pay for carrying costs during the construction period and sale period (e.g. real property taxes estimated to be approximately \$20,000.00, property insurance, maintenance and utilities, increased realtor commissions) and at time of sale sustaining a minimum loss of approximately \$ 333,000.00 (if one considers only the value of the house) or sustaining an approximate loss of between \$745,400.00 to \$795,400.00 (if one considers both the house and the land).

To require the two (2) Estates, which unlike traditional owner occupied properties, will not receive any reasonable use and enjoyment from the rehabilitation work, to sustain such substantial financial losses on the rehabilitation costs alone, does not and cannot constitute a reasonable beneficial use or reasonable return on the property.

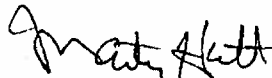


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9. Requiring the Estates to rehabilitate the remnants of the existing house to its pre-fire condition and sustain a minimum loss of approximately \$333,000.00 (if one considers only the value of the house) or between \$745,400.00 to \$795,400.00 (if one considers both the land and the house) also certainly precludes the Estates' ability to continue to reasonably carry out the traditional use of the property and certainly precludes the Estates viable use of the property.
10. The "Economic Hardship" being sustained if required to rehabilitate the remnants of the existing house to its pre-fire condition is not "self-created". There is no evidence at all that the value of the house and/or land has declined or rehabilitation expenses have increased because of the actions of the representatives of the Estates.

For all these reasons and based upon the information and documentation provided, the Estates will suffer Economic Hardship if demolition of the remnants of the existing house is denied and the Estates are required to rehabilitate the remnants of the existing house to its pre-fire condition .

Very truly yours,

  
Martin J. Hutt

cc: David Reynolds