

Reconciliation Addendum

File No. Plans & Specs

Borrower/Client	Jane Doe				
Property Address	1 Proposed Sample Ave				
City	Bethesda	County	Montgomery	State	MD
Lender	Sample (Redacted)				
Zip Code				20814	

LendPort Appraisals, Inc.

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RECONCILIATION ADDENDUM

Comparable Selection: Comparable sales are selected based on competitive similarity, location, property features, condition, quality, sale date, and the reliability of the available information. Proximity and recency are important, but neither alone determines comparability. An older or more distant sale may be more useful when it brackets an important feature or requires fewer and better-supported adjustments. Closed, adequately verified sales are the primary evidence. Active and pending listings provide secondary evidence because their final terms are not yet known or may not be fully disclosed.

Gross Adjustment Weighted Reconciliation

- Comparable Summary

Comparables Summary & Estimated Indicated Value

	Sale Price	Net Adj %	Grs Adj %	Ind Value	Weight
Comp #1:	4,600,000	4.6	11.5	4,810,000	26.88
Comp #2:	3,200,000	12.8	15	3,608,000	24.92
Comp #3:	3,800,000	5.6	20.6	3,586,000	21.77
Comp #4:	3,300,000	11.5	12.3	2,919,500	26.43
Comp #5:	3,799,999	9.6	12.2	4,166,499	
Comp #6:	4,450,000	5	5.5	4,672,500	

ESTIMATED INDICATED VALUE OF THE SUBJECT: \$3,744,000. After reconciling with other market indicators, the final opinion of value is \$3,650,000.

In the Gross Adjustment Methodology above, greater weight was given to the comparable(s) that required the least gross adjustments when those sales also demonstrated strong overall similarity to the subject. Gross adjustment percentage is only one reconciliation tool and does not by itself measure proximity, recency, data reliability, or other qualitative factors. Final weighting also considers these qualitative elements, as discussed below. Active and pending listings are reviewed to gauge market trends but serve only as secondary indicators of value. List prices may be strategically lowered to attract interest or inflated beyond market support. Unsettled listings lack disclosed contract details and their eventual sales prices may differ significantly from their current reported list price. Settled, verified sales remain the cornerstone of this analysis.

Limitations of Gross Weighted Reconciliation: The weighted indication is one reconciliation tool; it is not a value calculator. It assigns greater mathematical weight to sales with lower gross adjustments. However, gross adjustment percentage alone does not measure proximity, recency, data reliability, feature matching, the relative importance of individual adjustments, or the overall strength of a comparable. My final reconciliation of the adjusted range includes consideration for qualitative factors and all relevant market factors.

CONCLUSION & SUMMARY

Reconciliation Summary: The four settled comparable sales produced indicated values ranging from \$2,919,500 to \$4,810,000, with gross adjustments ranging from 11.5% to 20.6%. Comparables 2, 3, and 4 cluster between \$2,919,500 and \$3,608,000, while Comparable 1 indicates a materially higher value of \$4,810,000. This higher indication is supported by Comparable 1's location closest to the subject (0.12 miles) and its low adjustment burden (4.6% net, 11.5% gross), but its distance from the remaining settled sales warrants caution against allowing a single comparable to disproportionately drive the concluded value.

The gross-adjustment-weighted calculation, which gives greater mathematical weight to comparables requiring the least adjustment, produced an indicated value of \$3,744,000. However, as noted throughout this analysis, gross adjustment percentage alone does not measure the relative influence a single outlying sale should carry against a cluster of consistent, mutually supporting settled sales. Greater qualitative weight is given here to the consistency demonstrated by Comparables 2, 3, and 4, tempering the influence of Comparable 1's higher indication.

Comparables 5 and 6 are active listings and were not included in the weighted calculation; list prices do not reflect disclosed, verified transaction terms and serve only as secondary evidence of current market conditions. Both indicate values above the concluded figure (\$4,166,499 and \$4,672,500, respectively), supporting that the value conclusion is conservative relative to current market offerings rather than overstated.

After reconciling the weighted calculation against the qualitative strength and consistency of the three-sale cluster formed by Comparables 2, 3, and 4, and cross-checking against current market offerings, my opinion of market value is \$3,650,000.

Conclusion & Hypothetical Conditions: This appraisal is made subject to the hypothetical condition that, as of the effective date, the existing dwelling and related improvements have been demolished and the proposed residence, garage, site improvements, permits, county building inspections, and landscaping have been completed in substantial conformance with the final approved plans, specifications, construction contract, and other documents specifically identified in this report. The proposed improvements were not complete as of the effective date. Use of this hypothetical condition may have affected the assignment results. See the Disclosures & Compliance Addendum for additional narrative regarding the hypothetical conditions and extraordinary assumptions applicable to this assignment.

Based on the analysis contained in this report, my opinion of the market value of the subject property, as proposed, is \$3,650,000.

Proposed Construction / Hypothetical Condition Addendum

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The complete architectural plans, specifications, and Selection Schedule prepared by Thomson & Cooke Architects (dated March 5, 2026) were thoroughly reviewed by the appraiser and are retained in the workfile. These documents are not included in this sample report because they contain sensitive personal and project-specific information that would violate privacy requirements for a redacted sample appraisal.

ASSIGNMENT CONDITIONS

The subject is located at 1 Sample Ave, Bethesda, Maryland 20814. The assignment is a conventional refinance appraisal of the fee-simple interest in a one-unit, owner-occupied property. The client is Redacted Bank, and the intended use is mortgage-financing analysis.

The site is presently improved with a dwelling constructed in 1952. This appraisal is developed subject to the hypothetical condition that the existing improvements have been demolished and the proposed residence, garage, and related site improvements have been completed in substantial conformance with the final plans, specifications, construction contract, and applicable approvals identified in this report. The proposed improvements were not complete as of the effective date, and use of this hypothetical condition may have affected the assignment results.

PROPOSED IMPROVEMENTS AND BUILDING AREA

The proposed improvements consist of a custom, architect-designed residence with two finished above-grade levels, a basement, an unfinished attic, and an attached two-car garage.

First Floor: 2,147 SF
Second Floor: 1,891 SF
Above-Grade GLA: 4,038 SF
Basement: 1,985 total SF
Attic: 824 SF (unfinished per base scope)
Garage: 548 SF

GLA includes the first and second floors only; basement and garage are reported separately and excluded from GLA.

The architectural plans depict a loft, Bedrooms 4 and 5, and Bath 4 within the attic. However, the plans and Selection Schedule identify attic finishing as an add alternate to the base contract, and no executed document confirming acceptance of that alternate was provided. The entire attic is therefore reported as unfinished. Bedrooms 4 and 5 and Bath 4 are rough-in only and are excluded from GLA and finished room count.

PROPOSED ROOM CONFIGURATION

The first floor includes a foyer, study, dining room, kitchen, parlor, mudroom, two powder rooms, pantry/bar area, elevator, and circulation areas. The second floor includes the primary bedroom suite, Bedrooms 2 and 3, three full bathrooms, laundry room, elevator, and circulation areas.

The 1,985 SF basement includes a recreation room, exercise room, plan-labeled bedroom, bathroom, storage areas, mechanical rooms, an elevator equipment room, and circulation areas. The plans do not separately calculate finished versus unfinished basement area; basement finish is therefore reported at an estimated 90%. Legal bedroom status and required emergency egress for the below-grade bedroom remain subject to final approved plans, permits, and completed construction. Basement adjustments are applied on a per-room-count and total-square-footage basis; any variance between the 90% estimate and actual finished area has no impact on the value conclusion.

Above Grade: 7 Rooms / 3 Bedrooms / 3 Full and 2 Half Bathrooms
Below Grade: 1 Rec Room / 1 Bedroom / 1 Full Bathroom / 1 Other Room (Exercise Room)
Total Completed Bathrooms: 4 Full and 2 Half
Attic: Unfinished / rough-in only; excluded from GLA and room count

CONSTRUCTION MATERIALS AND FEATURES

The proposed residence includes a poured-concrete foundation and basement; painted brick and cedar siding; Spanish slate roofing with copper components; and painted wood insulated windows. Ceiling heights are approximately 9'8" in the basement and first floor and 9' on the second floor.

Interior features include five-inch character-grade white oak flooring, tile in wet areas, custom millwork and built-ins, white oak stairs with mahogany rails, three fireplace locations, a custom kitchen with stone surfaces and panel-ready appliances, and a primary bathroom with marble finishes, freestanding tub, curbless shower, and radiant floor heating. Additional features include an elevator serving the basement through second floor, outdoor living and landscaping improvements, and an approximately 548 SF attached two-car garage.

The signed budget includes a geothermal HVAC allowance with one heat pump per floor, electric air filters, and humidifiers; however, the plumbing scope also provides gas service to four HVAC units. Final heating source, backup arrangement, equipment count, and zoning are not established by the submitted documents and require verification.

CONDITION AND QUALITY:

The improvements are proposed and did not exist in completed form as of the appraisal inspection. If completed in accordance with the final plans and specifications and not previously occupied, the improvements would qualify for a C1 condition rating.

Quality Rating: Q3 - The proposed dwelling reflects an architect-designed traditional residence with high-quality materials, including slate and copper roofing, masonry brick and stone exterior, custom millwork, and geothermal mechanical systems, combined with a moderate-to-high degree of designer detail. Design and construction methods are consistent with quality-built homes in this market segment rather than a one-of-a-kind or architecturally unique structure. The reported quality rating reflects the proposed scope of construction and remains subject to verification upon completion.