

Reconciliation Addendum						File No. Sample - Subject To	
Borrower/Client	John Doe						
Property Address	2 Sample Ave						
City	Abingdon	County	Harford	State	MD	Zip Code	21009
Lender	Sample (Redacted)						

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:	309,000	3.1	8.9	318,500	34.28
Comp #2:	325,000	1.2	9.8	321,000	32.69
Comp #3:	350,000	7.3	9.6	324,500	33.03
Comp #4:	339,999	3.8	6.2	326,999	
Comp #5:	350,000	5	16.1	332,500	

ESTIMATED INDICATED VALUE OF THE SUBJECT: \$321,000.

After reconciling with other market indicators the final opinion of value is rounded to \$320,000.

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.

Listing & Contract Analysis

The property went under contract within 9 days of listing at \$320,000, 97.0% of the \$329,900 original list price. Listing exposure was brief and DOM/CDOM are equal, indicating no prior unsuccessful marketing period on this listing cycle. Not verified from the provided materials: any price adjustments during the active period. The subject's brief marketing period of 9 days supports that the property was appropriately priced to generate demand and the contract price is a valid data point for consideration in the reconciliation phase.

Hypothetical Condition and Extraordinary Assumptions

This appraisal is subject to the following Hypothetical Condition and Extraordinary Assumption, invoked per USPAP Standards Rule 1-2(f):

Hypothetical Condition - Deck Stair Treads: This report is subject to the Hypothetical Condition that the deteriorated deck stair treads at the subject property have been repaired or replaced in a workmanlike manner by a qualified party as of the effective date of this appraisal. As inspected, the deck stair treads exhibited material deterioration - including checking, splitting, delamination, and localized through-board separation - that constitutes a safety hazard and, if uncorrected, would adversely affect marketability and value. This condition is known to be contrary to fact as of the effective date. Its use may have affected the assignment results. The appraiser recommends repair be completed and verified prior to loan closing/disbursement, subject to lender requirements.

Extraordinary Assumption - Basement Moisture-Related Conditions: This appraisal is subject to the Extraordinary Assumption that no adverse conditions - including mold, active leak sources, or structural deterioration - exist behind the removed drywall sections at the basement rec room ceiling and half bathroom walls, or beneath the removed flooring, beyond what was visible upon inspection. This assumption was necessary because the concealed areas could not be fully evaluated through normal visual inspection procedures. The soaking tub installed in the primary bedroom represents an atypical water source in an area not designed for sustained moisture exposure and, if in use, presents an ongoing risk of recurrence at this location. The cause of the basement carpet staining could not be confirmed. This Extraordinary Assumption is reasonable given the scope of a visual, non-invasive appraisal inspection; its use may have affected the assignment results. No value contribution has been given to the basement rec room or half bathroom in the sales comparison analysis due to these unresolved conditions.

Reconciliation Addendum

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Borrower/Client	John Doe					
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Lender	Sample (Redacted)					

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CONCLUSION & SUMMARY

Final Value Opinion & Commentary

After reconciling the most relevant and reliable market evidence, my opinion of market value is \$320,000.

The subject is rated C4, as it best reflects the overall condition of the dwelling. The above-grade living areas are in C3 condition, with no deferred maintenance evident. The basement level presents conditions consistent with a C4 classification, including moisture-related carpet staining, removed drywall at the rec room ceiling and half bathroom walls, and removed flooring in a section of the rec room, the cause and full extent of which could not be verified through visual inspection. Due to this condition, no value has been attributed to the basement rec room or half bathroom in the sales comparison analysis. The C4 rating reflects the overall condition of the dwelling inclusive of the below-grade deficiencies

Summary of Conditions Required to Resolve Hypothetical Conditions and Extraordinary Assumptions

The value opinion in this appraisal is contingent upon the identified Hypothetical Condition and Extraordinary Assumption. These conditions were necessary due to observed deficiencies and inspection scope limitations. Resolution of each item requires the specific verifiable deliverable identified below. If the conditions are not resolved as described, or if verification is not provided prior to closing, the value opinion herein may not be valid and a reinspection and/or revised value opinion may be required.

1. Hypothetical Condition - Deck Stair Treads

Condition: Deck stair treads exhibited material deterioration (checking, splitting, delamination, through-board separation) constituting a safety hazard. Value opinion assumes repair/replacement complete as of the effective date, contrary to fact as observed.

Deliverable required to clear:

Written repair receipt or invoice from a licensed/qualified contractor documenting replacement or repair of the deteriorated stair treads in a workmanlike manner; AND

Post-repair photographs of the completed work; AND

Appraiser reinspection (interior/exterior or exterior-only, per lender scope of work) confirming the repair was completed as documented.

2. Extraordinary Assumption - Basement Moisture-Related Conditions

Condition: Basement rec room ceiling and half bathroom walls had drywall removed; rec room flooring was removed; den carpet exhibited staining. Cause and extent of any underlying moisture, mold, or structural issue could not be determined through visual inspection. Value opinion assumes no adverse concealed conditions exist beyond what was visible.

Deliverable required to clear:

Written evaluation from a qualified moisture/mold or contractor confirming the concealed areas (behind removed drywall, beneath removed flooring) are free of active leaks, mold, or structural damage; AND

Confirmation that any underlying source has been corrected; AND

If repairs were performed to remediate the condition (drywall replacement, flooring replacement, moisture correction), a contractor invoice/receipt documenting the scope of work completed.

3. Ongoing Risk Factor - Primary Bedroom Soaking Tub (Not Independently Resolvable)

The soaking tub installed in the primary bedroom, outside the bathroom, remains an unresolved ongoing risk factor. Repair scope determination and required corrective action are the lender/underwriter's responsibility, not the appraiser's; the appraiser cannot require its removal, relocation, or waterproofing as a condition of value. Absent such corrective action, this installation will continue to present an ongoing risk of water exposure to the flooring, subfloor, and potentially the basement level below. This condition is noted as an unresolved risk factor independent of the Extraordinary Assumption above and should be considered by the lender in connection with property condition and marketability, even if the concealed basement areas are found to be free of current damage. No value impact of this feature could be measured.

4. Value Contingency Statement

The value opinion reported herein is expressly contingent upon resolution of Items 1 and 2 above as documented. This appraisal reflects a Hypothetical Condition and an Extraordinary Assumption, both of which may have affected the assignment results (USPAP SR 1-2(f)). If either condition is not met, or if post-resolution inspection reveals conditions materially different from those assumed, the value opinion may require revision. Item 3 remains an open risk factor that is not resolvable through repair verification and should be evaluated independently by the lender.