APPRAISAL REPORT

Subject Property:

Brickyard
3850 and 3880 Brickway Boulevard
Santa Rosa, Sonoma County, CA 95403

Prepared For:

County of Sonoma
2300 County Center Drive, Suite A220
Santa Rosa, CA 95403

Date of Report:

November 22, 2024

Prepared By:

Cushman & Wakefield Western, Inc.
Valuation & Advisory
425 Market Street, Suite 2300
San Francisco, CA 94105
Cushman & Wakefield File ID: 24-38002-901724-001

Brickyard

3850 and 3880 Brickway Boulevard

Santa Rosa, Sonoma County, CA 95403

425 Market Street, Suite 2300
San Francisco, CA 94105
Tel +1 (415) 379-1700
cushmanwakefield.com

November 22, 2024

Mr. Johannes Hoevertsz
General Services Department
County of Sonoma
2300 County Center Drive, Suite A220
Santa Rosa, CA 95403

Re: Appraisal Report

Brickyard
3850 and 3880 Brickway Boulevard
Santa Rosa, Sonoma County, CA 95403

Cushman & Wakefield File ID: 24-38002-901724-001

Dear Mr. Hoevertsz:

In fulfillment of our engagement, we are pleased to transmit our appraisal of the referenced property in the attached appraisal report. The report, in its entirety, including all hypothetical conditions, extraordinary assumptions, limiting conditions and the Addenda is an integral part of, and inseparable from, this letter.

The subject property consists of two 2-story Office/R&D buildings that contain a collective 126,585 square feet of rentable area situated on a 7.77-acre site. The subject property is located on the northeastern corner of Brickway Boulevard and Airport Boulevard in the Schulz Airport neighborhood of Santa Rosa, California. The improvements were completed in 2000 and are in good condition. There are 246 on-site surface parking spaces, resulting in a parking ratio of 1.94 per 1,000 square feet of net rentable area.

The property is currently 100.00 leased to Medtronic through March 2025, however the company has vacated the space. Property representatives report the tenant is current on rent and is scheduled to fulfill all lease obligations.

The subject was marketed for sale on November 29, 2023 at an undisclosed price. The prospective purchaser is the County of Sonoma, who plans to occupy the subject property in its entirety. There is a signed LOI in place at a purchase price of $32,000,000. Per the property representatives, this is the result of extensive negotiations and there is confidence by both parties that this represents the final sale price of the subject property.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Based on the agreed-to Scope of Work, and as outlined in the report, we developed the following opinions:

Value Conclusions

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Leased Fee	November 13, 2024	$32,300,000
Prospective Market Value Upon Stabilization	Leased Fee	November 1, 2026	$36,400,000

Compiled by Cushman & Wakefield Western, Inc.

This letter is invalid as an opinion of value if detached from the report, which contains the text, exhibits, and Addenda.

Thank you for the opportunity to be of service. Please contact us with any questions relating to this assignment or if Cushman & Wakefield can be of further service.

Respectfully submitted,

CUSHMAN & WAKEFIELD WESTERN, INC.

Jason Garlock, MAI
Executive Director
CA Certified General Appraiser
License No. AG 035693
jason.garlock@cushwake.com
(415) 773-3520 Office Direct

Melissa J. Bach, MAI, CRE
Executive Managing Director
CA Certified General Appraiser
License No. AG017144
Melissa.Bach@cushwake.com
(415) 658-3698 Office Direct

Table of Contents

Summary of Salient Facts and Conclusions

BASIC INFORMATION	
Common Property Name:	Brickyard
Address:	3850 and 3880 Brickway Boulevard Santa Rosa, California 95403
County:	Sonoma County
Property Ownership Entity:	NGCRE Investment V LLC

SITE INFORMATION	
Land Area:	338,461 SF
Site Shape:	Irregularly shaped
Site Topography:	Level at street grade
Frontage:	Good
Site Utility:	Good
Flood Zone Status:	
Flood Zone:	AE
Flood Map Number:	06097C0568F
Flood Map Date:	July 31, 2024

BUILDING INFORMATION	
Type of Property:	Office
Sub Type:	Office/R&D
Building Area:	
Gross Building Area:	127,200 SF
Net Rentable Area:	126,585 SF
Land-to-Building Ratio:	2.66:1
Number of Buildings:	Two
Number of Stories:	Two
Quality:	Good
Year Built:	2000
Condition:	Good
Actual Age:	24 Years
Effective Age:	15 Years
Remaining Economic Life:	45 Years
Parking:	
Number of Parking Spaces:	246
Parking Ratio (per 1,000 SF):	1.94:1
Parking Type:	Surface

MUNICIPAL INFORMATION	
Assessment Information:	
Assessing Authority:	Sonoma County
Assessor's Parcel Identification:	059-360-007-000 & 059-360-008-000
Current Tax Year:	2024/2025
Taxable Assessment:	$34,449,848
Current Tax Liability:	$440,804
Taxes per Square Foot:	$3.48
Are Taxes Current?	Taxes are current
Is a Grievance Underway?	Not to our knowledge
Zoning Information:	
Municipality Governing Zoning:	City of Santa Rosa
Current Zoning:	MP - Industrial Park
Is Current Use Permitted?	Yes
Current Use Compliance:	Conforming use
Zoning Change Pending:	No
Zoning Variance Applied For:	Not applicable

HIGHEST & BEST USE

As Though Vacant:
An office R&D use built to its maximum feasible building area

As Improved:
An office R&D building as it is currently improved

VALUATION INDICES	Market Value As-Is	Prospective Market Value Upon Stabilization
VALUE DATE	**November 13, 2024**	**November 1, 2026**
SALES COMPARISON APPROACH		
Indicated Value:	$30,700,000	$34,800,000
Per Square Foot (NRA):	$242.52	$274.91
INCOME CAPITALIZATION APPROACH		
Yield Capitalization		
Projection Period:	13 Years	11 Years
Holding Period:	12 Years	10 Years
Terminal Capitalization Rate:	6.50%	6.50%
Internal Rate of Return:	7.50%	7.50%
Indicated Value:	$32,300,000	$36,400,000
Per Square Foot (NRA):	$255.16	$287.55
Direct Capitalization		
Net Operating Income (Stabilized):	$2,131,241	$2,131,241
Capitalization Rate:	6.00%	6.00%
Preliminary Value:	$35,520,675	$35,520,675
Value (Rounded):	$35,500,000	$35,500,000
LESS Cash Flow Differential:	($4,100,000)	N/A
Indicated Value:	$31,420,675	$35,520,675
Indicated Value Rounded:	$31,400,000	$35,500,000
Per Square Foot (NRA):	$248.05	$280.44
Income Capitalization Approach		
Indicated Value:	$32,300,000	$36,400,000
Per Square Foot (NRA):	$255.16	$287.55
FINAL VALUE CONCLUSIONS		
Real Property Interest:	Leased Fee	Leased Fee
Concluded Value:	$32,300,000	$36,400,000
Per Square Foot (NRA):	$255.16	$287.55
Implied Capitalization Rate:	N/A	5.86%
Exposure Time:		
Exposure Time:	10-12 Months	

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimate is based upon market participant attitudes and perceptions existing as of the effective date of our appraisal. We assume no material change in the physical characteristics and condition of the subject property or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Property Photographs

AERIAL PHOTOGRAPH

PROPERTY EXTERIOR – 3850 BRICKWAY

PROPERTY EXTERIOR – 3850 BRICKWAY

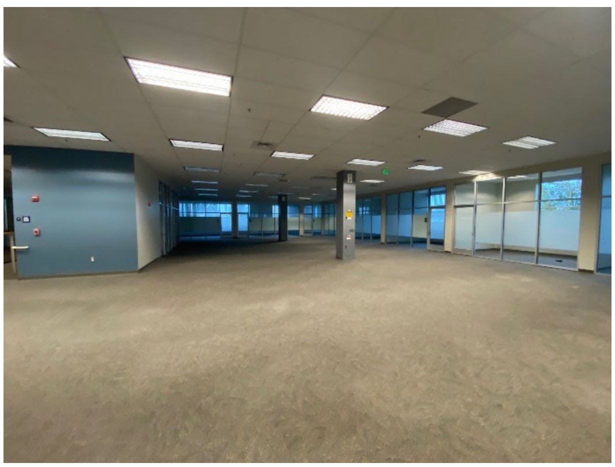
PROPERTY EXTERIOR – 3880 BRICKWAY

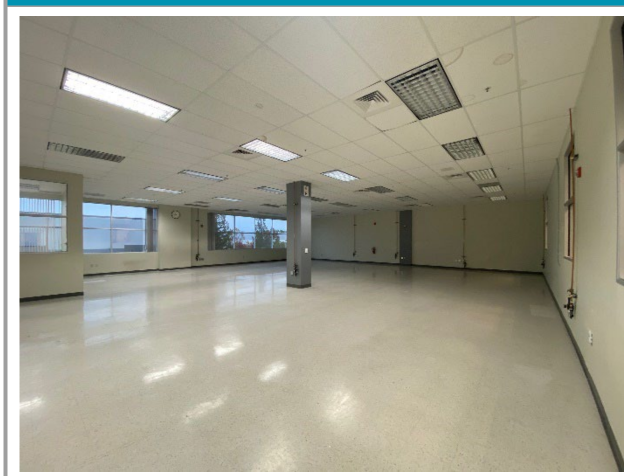
PROPERTY EXTERIOR – 3880 BRICKWAY

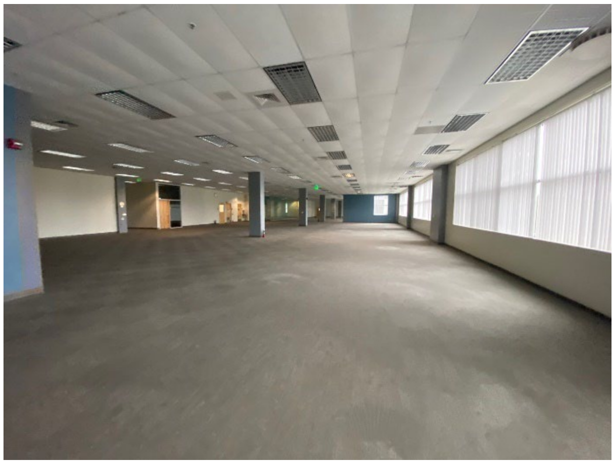
PROPERTY EXTERIOR – 3880 BRICKWAY

PROPERTY EXTERIOR – 3880 BRICKWAY

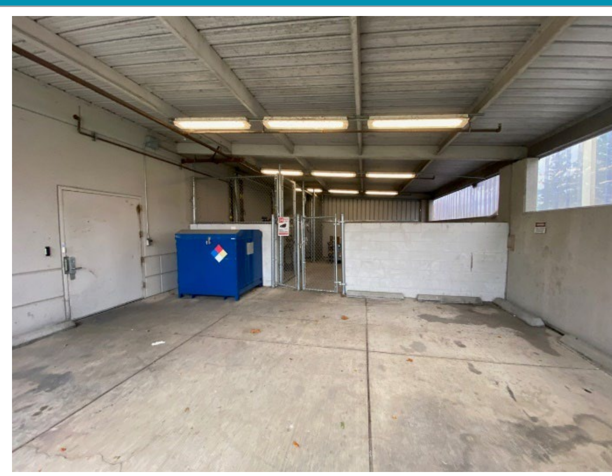
PROPERTY KITCHEN	PROPERTY KITCHEN
	

OFFICE SPACE	OFFICE SPACE
	

LAB SPACE	LAB SPACE
	

OFFICE SPACE	OFFICE SPACE
	

LAB SPACE	LAB SPACE
	

LAB SUPPORT STRUCTURES	STORAGE AREA
	

Scope of Work

Overview

Scope of work is the type and extent of research and analyses involved in an assignment. To determine the appropriate scope of work for the assignment, we considered the intended use of the appraisal, the needs of the user, the relevant characteristics of the subject property, and other pertinent factors. Our concluded scope of work is summarized below, and in some instances, additional scope details are included in the appropriate sections of the report:

Research

- We inspected the property and its environs. Physical information on the subject was obtained from the property owner's representative, public records, and/or third-party sources.
- Regional economic and demographic trends, as well as the specifics of the subject's local area were investigated. Data on the local and regional property market (supply and demand trends, rent levels, etc.) was also obtained. This process was based on interviews with regional and/or local market participants, primary research, available published data, and other various resources.
- Other relevant data was collected, verified, and analyzed. Comparable property data was obtained from various sources (public records, third-party data-reporting services, etc.) and confirmed with a party to the transaction (buyer, seller, broker, owner, tenant, etc.) wherever possible. It is, however, sometimes necessary to rely on other sources deemed reliable, such as data reporting services.

Analysis

- Based upon the subject property characteristics, prevailing market dynamics, and other information, we developed an opinion of the property's Highest and Best Use.
- We analyzed the data gathered using generally accepted appraisal methodology to arrive at a probable value indication via each applicable approach to value.
- The results of each valuation approach are considered and reconciled into a reasonable value estimate.

This Appraisal Report has been prepared in accordance with our interpretation of your institution's guidelines, Title XI of the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 (FIRREA), and the Uniform Standards of Professional Appraisal Practice (USPAP).

Alex Smith provided significant real property appraisal assistance to the persons signing this report. The assistance included the collection and reporting of comparable sales, comparable rents, capitalization rates in the market, as well as assisting with the property inspection. Additionally, Alex Smith assisted with the reporting of property taxes, current zoning, flood zone verification, construction of a local neighborhood analysis for the subject property, and the development of all approaches to value.

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

Report Option Description

USPAP identifies two written report options: Appraisal Report and Restricted Appraisal Report. This document is prepared as an Appraisal Report in accordance with USPAP guidelines. The terms “describe,” “summarize,” and “state” connote different levels of detail, with “describe” as the most comprehensive approach and “state” as the least detailed. As such, the following provides specific descriptions about the level of detail and explanation included within the report:

- Describes the real estate and/or personal property that is the subject of the appraisal, including physical, economic, and other characteristics that are relevant
- States the type and definition of value and its source
- Describes the Scope of Work used to develop the appraisal
- Describes the information analyzed, the appraisal methods used, and the reasoning supporting the analyses and opinions; explains the exclusion of any valuation approaches
- States the use of the property as of the valuation date
- Describes the rationale for the Highest and Best Use opinion

Identification of Property

Common Property Name:	Brickyard
Address:	3850 and 3880 Brickway Boulevard, Santa Rosa, Sonoma County, CA 95403
Location:	The subject property is located on the northeastern corner of Brickway Boulevard and Airport Boulevard in the Schulz Airport neighborhood of Santa Rosa, California.
Tax Parcel Identification:	059-360-007-000 & 059-360-008-000
Legal Description:	The legal description, provided by the client, is presented in the Addenda of the report.
Property Overview:	The subject property consists of two 2-story Office/R&D buildings that contain a collective 126,585 square feet of rentable area situated on a 7.77-acre site. The subject property is located on the northeastern corner of Brickway Boulevard and Airport Boulevard in the Schulz Airport neighborhood of Santa Rosa, California. The improvements were completed in 2000 and are in good condition. There are 246 on-site surface parking spaces, resulting in a parking ratio of 1.94 per 1,000 square feet of net rentable area.

Property Ownership and Recent History

Current Ownership:	NGCRE Investment V LLC
Sale History:	To our knowledge, the property has not sold or transferred within three years of the effective date of the appraisal.
Current Disposition:	The subject was marketed for sale on November 29, 2023 at an undisclosed price. The prospective purchaser is the County of Sonoma, who plans to occupy

the subject property in its entirety. There is a signed LOI in place at a purchase price of $32,000,000. Per the property representatives, this is the result of extensive negotiations and there is confidence by both parties that this represents the final sale price of the subject property.

Dates of Inspection and Valuation

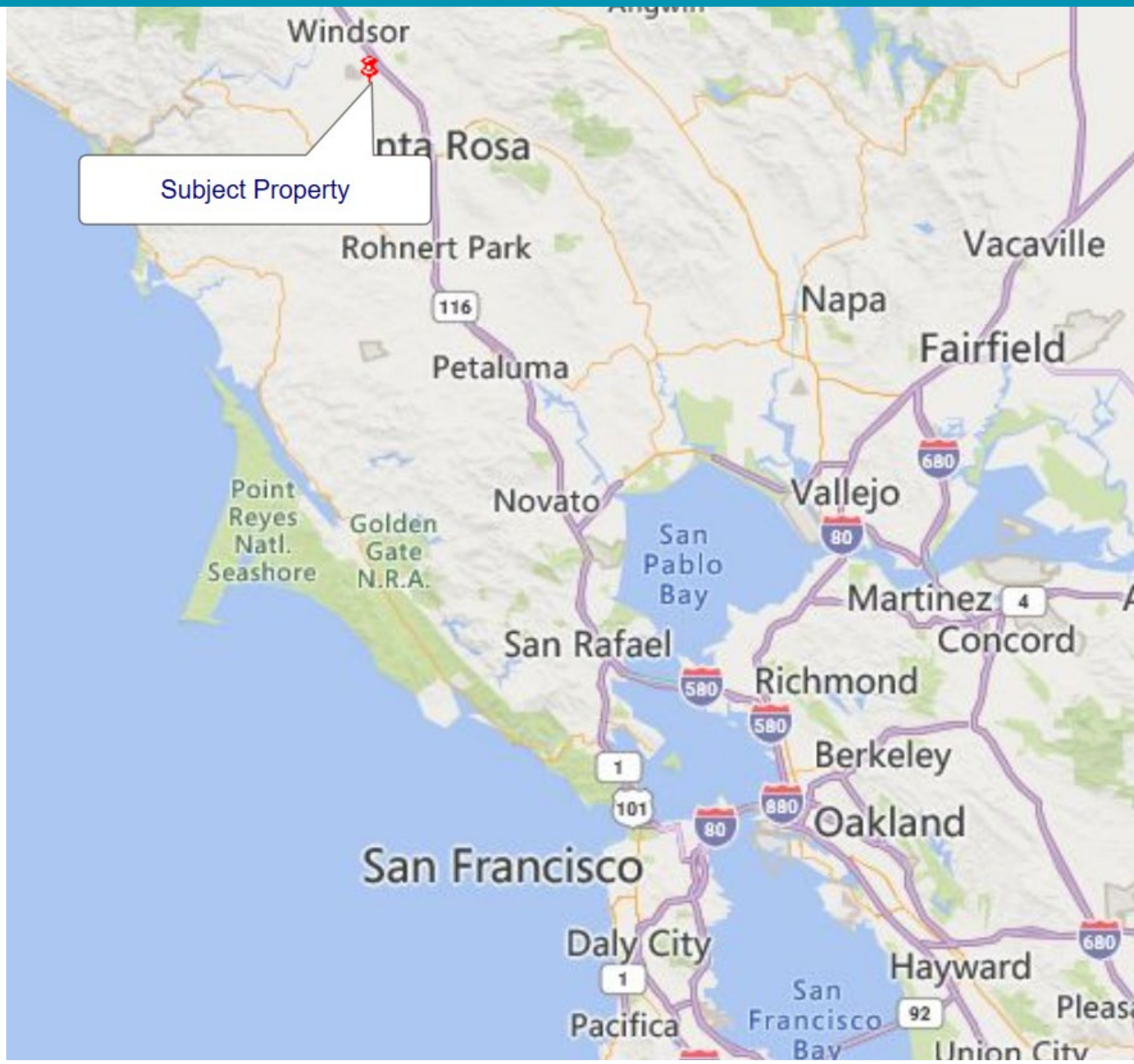
Effective Dates of Valuation:	
As Is:	November 13, 2024
Upon Stabilization:	November 1, 2026
Date of Report:	November 22, 2024
Date of Inspection:	November 13, 2024
Property Inspected by:	Jason Garlock, MAI did make a personal inspection of the subject property. Melissa J. Bach, MAI, CRE did not make a personal inspection of the subject property.

Client, Intended Use and Users of the Appraisal

Client:	County of Sonoma
Intended Use:	This appraisal is intended to provide an opinion of the Market Value of the Leased Fee interest in the property for the use of the client in internal decision making in regards to purchasing the property. This report is not intended for any other use.
Intended User:	This appraisal report was prepared for the exclusive use of County of Sonoma. Use of this report by others is not intended by the appraisers.

Regional Analysis

REGIONAL MAP



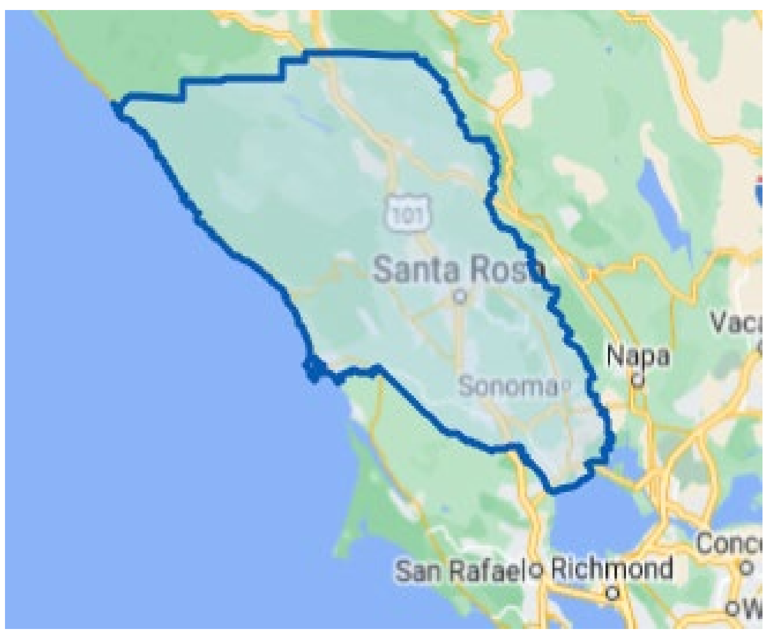
Sonoma County, CA Regional Market Analysis

Introduction

North of Marin County and south of Mendocino County is Sonoma County and the entirety of the Santa Rosa Core Based Statistical Area (Santa Rosa CBSA). Sonoma County is a part of California's Wine Country region and contains over 425 wineries in the county. Additionally, the county is the largest wine producer in Wine Country. Sonoma County offers an ideal climate for growing grapes and for residents with long, dry but rarely hot summer days followed by cool nights from the ocean breeze. Sonoma County is 30 miles north of San Francisco and offers a beautiful natural landscape coupled with beautiful coast and sea villages. The city of Santa Rosa is the largest city within the county, holding a population of 181,804, and is the seat of Sonoma County. In total, the county held a population of 487,331 according to Experian Marketing Solutions, Inc. 2023 estimate.

Map

The map below displays Sonoma County in California:



Source: CoStar Group Inc. and Cushman & Wakefield Valuation & Advisory

Macro Trends

In 2023, Sonoma County's economy performed exceptionally well, with job growth surpassing that of the state and nation by a significant margin. The strong second half of the year led to a year-on-year job growth of nearly 3%, which is well above the averages for both California and the U.S. The near-term outlook for Sonoma County's economy is positive, although it is expected to grow at a slower pace than last year. However, despite the county's high quality of life and educated workforce, weak population growth will likely result in Sonoma County performing slightly below average compared to the rest of California.

Current Trends

Sonoma County benefits from its coastal position along the northern portion of California. Bordered by Mendocino County to the north, Lake County and Napa County to the east and Marin County to the west, Sonoma County has a heavy agricultural presence given the region's climate and location in wine country. In Sonoma County, there are over 425 wineries for residents and visitors to enjoy, and its economy is largely driven by the leisure and hospitality sector. Employment in this sector has been increasing, and there has been a 4% rise in arrival numbers at Charles M. Schultz Airport in 2024, indicating strong demand for vacations. The commercial real estate market is stable, with higher vacancy rates attributed to an increase in supply. However, the issuance of commercial building permits is growing at a slower rate due to the demand for office space.

Current conditions in the area include the following:

- Strong visitor spending and arrivals are supporting growth in local breweries and wineries, and a strong grape harvest at the end of 2023 in both quality and tonnage will provide a tailwind for local winemakers. Sonoma County's organic producers are reaping the benefits from their early entry into the organic food and beverage market.
- SolarCraft, a trusted solar energy provider for Sonoma County for forty years, has completed a solar power installation at Paloma Vineyard, located on the renowned Silverado Trail in Napa Valley. Paloma has taken a significant step forward in its commitment to sustainability by partnering with SolarCraft to upgrade and expand its solar power system. The new installation, featuring state-of-the-art, high-efficiency solar panels, replaces an older system and dramatically increases the winery's solar productivity. This advanced solar technology enables Paloma Winery to further reduce its carbon footprint while realizing substantial utility savings. With an impressive annual solar production of 38,751 kWh, the upgraded system is set to offset nearly 90% of the winery's energy costs.
- The Sonoma County Board of Supervisors approved a $14.8 million contract with Ghilotti Construction Co. to construct sewer lines, utilities, streets, and other infrastructure in support of the Tierra de Rosas mixed-use development in Roseland. This project will lay the groundwork for much-needed housing in an underserved part of the community. Ultimately, the project will benefit the county, as housing is a critical component of a healthy economy and community. Once the infrastructure is in place, the project will include 75 units of affordable housing, 100 units of market-rate housing, a one-acre public plaza, a Mercado Food Hall, and a 24,000-square-foot civic-use building in southwest Santa Rosa's Roseland neighborhood.
- The Monte Rio Bohemian Highway Bridge in Sonoma County needs significant upgrades. The county has been working with Caltrans for over six years to get a replacement bridge, but their request was denied due to the high cost. Instead, Caltrans and Sonoma County will invest $25 million to bring the existing bridge up to modern seismic safety standards, extending its life expectancy by 15 years. The Monte Rio Bohemian Highway Bridge is crucial for West Sonoma County.

Demographic Characteristics

The demographic characteristics trend is significantly higher in Sonoma County when compared to national trends. The median age of 43 years of age measures four years older than the national average. Additionally, 36.1% of residents in the county hold a bachelor's or advanced college degree, compared to 32.0% of the national population. Corresponding with higher levels of education, household incomes tend to be higher compared to household incomes across California and the nation. Approximately 74.2% of households in Sonoma County earn more than $50,000 annually, compared to 62.9% of households nationally.

The following chart compares the demographic characteristics of Sonoma County, CA with those of the United States:

Demographic Characteristics
Sonoma County, CA vs. United States
2023 Estimates

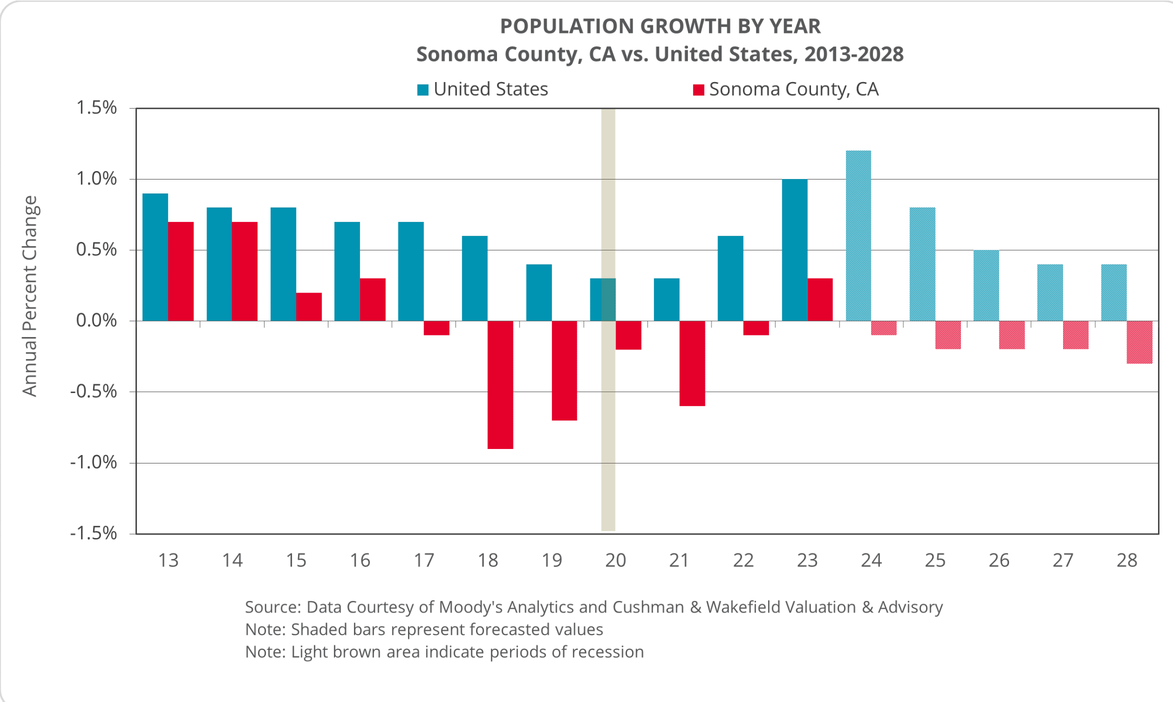
Characteristic	Sonoma County, Ca	United States
Median Age (years)	43	39
Average Annual Household Income	$129,693	$100,106
Median Annual Household Income	$92,118	$68,480
Households by Annual Income Level:		
<$25,000	11.0%	17.7%
$25,000 to $49,999	14.9%	19.4%
$50,000 to $74,999	14.4%	17.1%
$75,000 to $99,999	14.1%	13.3%
$100,000 plus	45.7%	32.6%
Education Breakdown:		
< High School	11.4%	11.7%
High School Graduate	19.0%	26.9%
College < Bachelor Degree	33.5%	28.6%
Bachelor Degree	22.6%	20.2%
Advanced Degree	13.5%	12.7%

Source: © 2023 Experian Marketing Solutions, Inc. •All rights reserved•
Cushman & Wakefield Valuation & Advisory

Population

The Sonoma County, CA regional population growth has trailed national population growth, averaging -0.1% annually from 2013 through 2023. During the same time period, Sonoma County, CA's population growth trailed national population expansion by an average of 70 basis points and is forecast to decrease to an average annual growth rate of -0.2% through 2028.

The following chart compares population growth between Sonoma County, CA and the United States:



The following table shows Sonoma County, CA's annualized population growth:

Annualized Population Growth
Sonoma County, CA
2013-2028

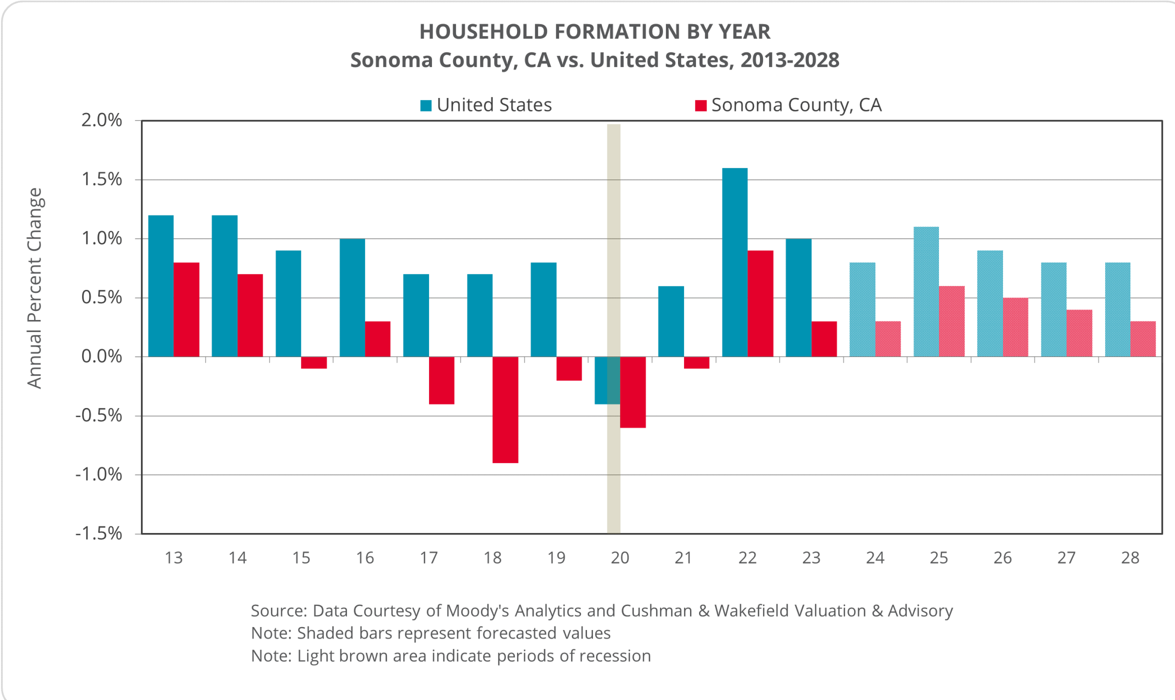
Population (000's)	2013	2023	Forecast 2024	Forecast 2028	Compound Annual Growth Rate 13-23	Compound Annual Growth Rate 24-28
United States	317,418.5	338,081.3	342,050.6	349,358.3	0.6%	0.5%
Sonoma County, CA	**491.5**	**486.4**	**485.8**	**481.4**	**-0.1%**	**-0.2%**

Source: Data Courtesy of Moody's Analytics, Cushman & Wakefield Valuation & Advisory

Households

Generally, a region's household formation trends are directly tied to its overall population growth, as an increase in the population drives demand for real estate. From 2013 through 2023, the Sonoma County, CA regional household formation growth rate has trailed national expansion, averaging 0% annually. In the same ten-year period, Sonoma County, CA's household formation growth has trailed national growth by an average of 80 basis points and is forecast to increase to an average annual growth rate of 0.4% through 2028.

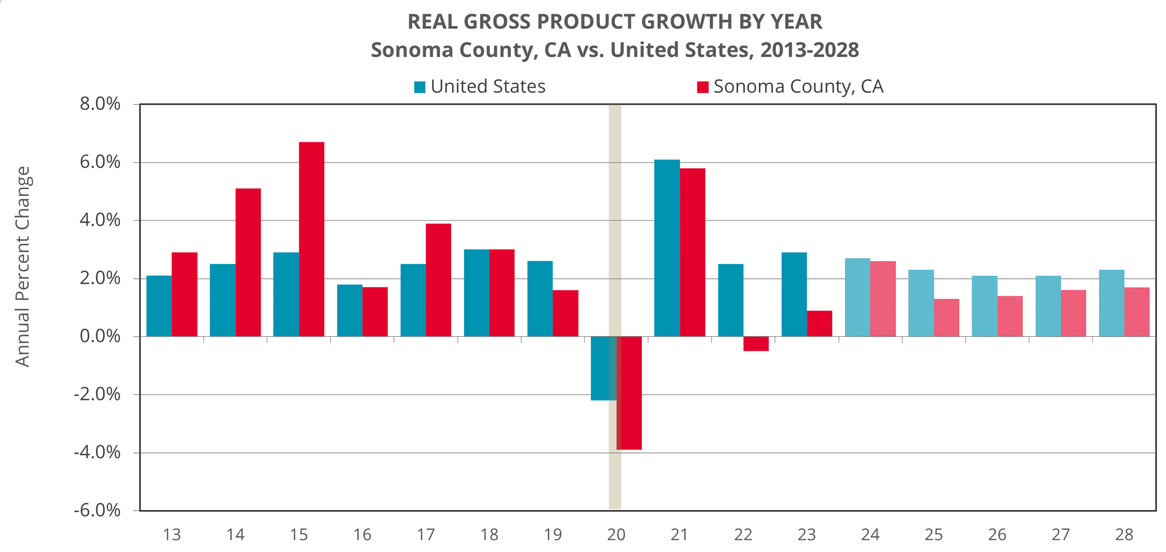
The chart below compares household formation growth between Sonoma County, CA and the United States:



Gross Metro Product

Gross Metro Product (GMP) is defined as the market value of all final goods and services produced within a metropolitan area, and when compared to the nation's Gross Domestic Product (GDP), can determine shifting economic trends in a given region. Economic growth in Sonoma County, CA has remained consistent with national economic expansion over the decade, averaging 2.4% annually from 2013 through 2023. Over the decade, Sonoma County, CA GMP has remained consistent with national expansion by an average of 0 basis points and is forecast to decrease to an average annual growth rate of 1.5% through 2028.

The chart below compares gross product growth by year for Sonoma County, CA and the United States:

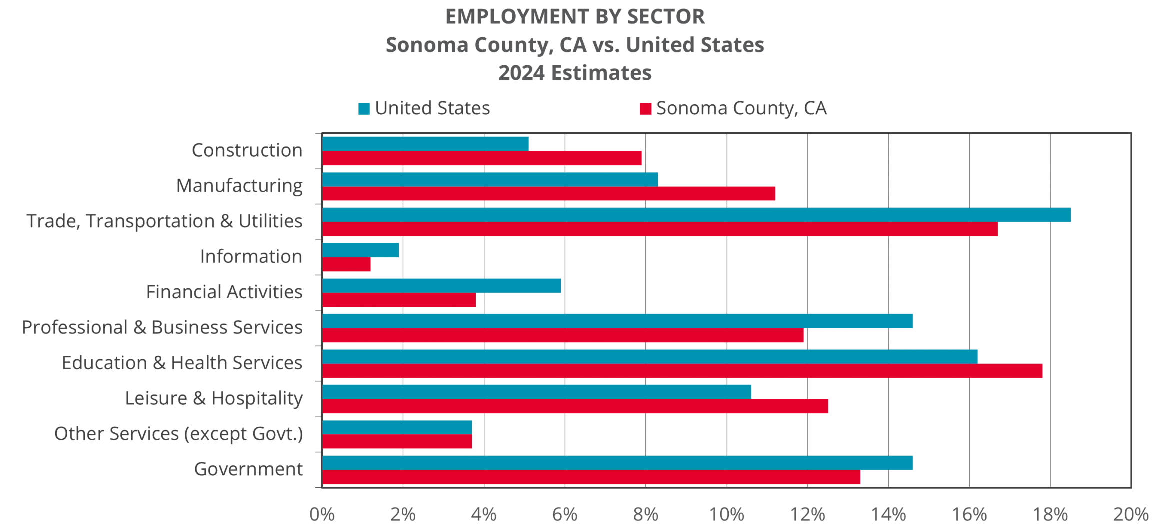


Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory
Note: Shaded bars represent forecasted values
Note: Light brown area indicate periods of recession

Employment Distribution

The Education & Health Services sector dominates Sonoma County, CA as the largest employment sector with roughly 17.8% of the regional workforce, compared to 16.2% on the national level. Sonoma County, CA offers a diverse mix of industry employment with the Trade, Transportation & Utilities and Government sectors accounting for 16.7% and 13.3% of total employment, respectively. Together, these three industries comprise 47.8% of the region's share of employment.

The following chart compares non-farm employment sectors for Sonoma County, CA and the United States:



Source: Data Courtesy of Moody's Analytics and Cushman & Wakefield Valuation & Advisory

Major Employers

The following table lists Sonoma County, CA's largest employers:

Major Employers
Sonoma County, CA

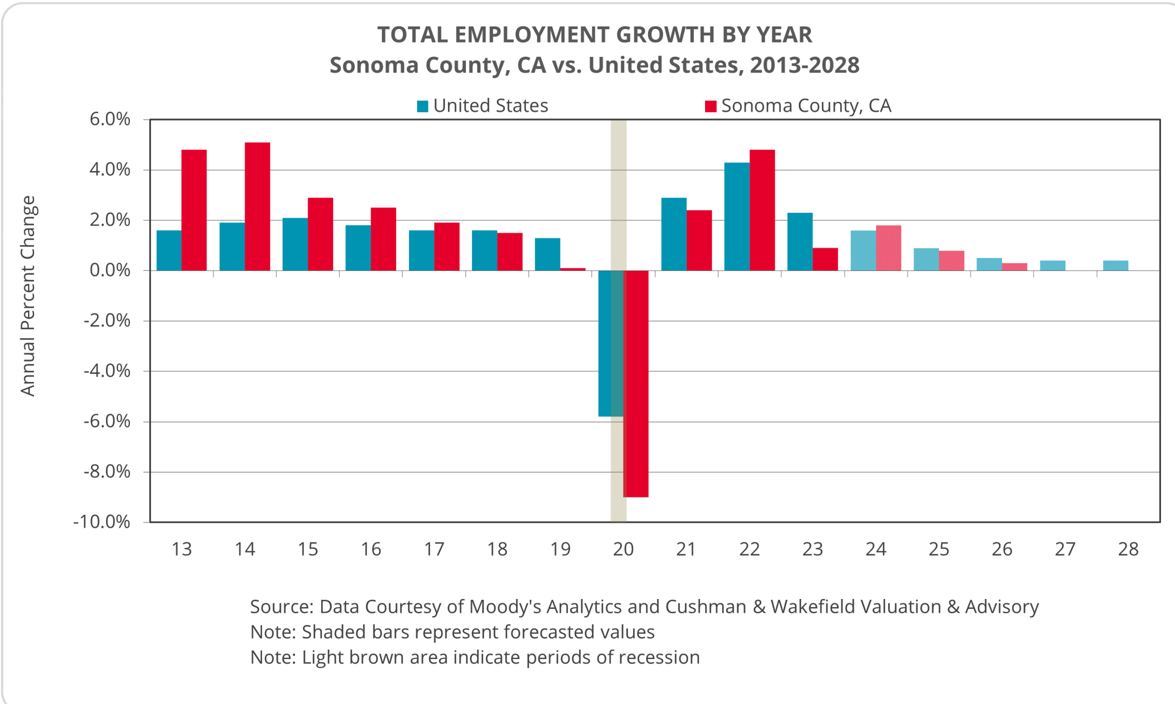
Company	No. of Employees	Business Type
Kaiser Permanente	3,508	Healthcare
Graton Resort & Casino	2,000	Leisure & Hospitality
St. Joseph Health System	1,640	Healthcare
Keysight Technologies	1,300	Manufacturing
Safeway, Inc.	1,200	Retail
Sutter Santa Rosa Regional Hospital	1,050	Healthcare
Medtronic CardioVascular	1,000	Healthcare
Amy's Kitchen	988	Food Manufacturing
Wells Fargo	916	Finance
Lagunitas Brewing Company	900	Retail

Source: D&B Hoovers , and Cushman & Wakefield Valuation Advisory

Employment Growth

From 2013 through 2023, the Sonoma County, CA regional employment growth has trailed national expansion, averaging 1.2% annually. During the same time period, Sonoma County, CA's employment growth has trailed national expansion by an average of 20 basis points and is forecast to decrease to an average annual growth rate of 0.2% through 2028.

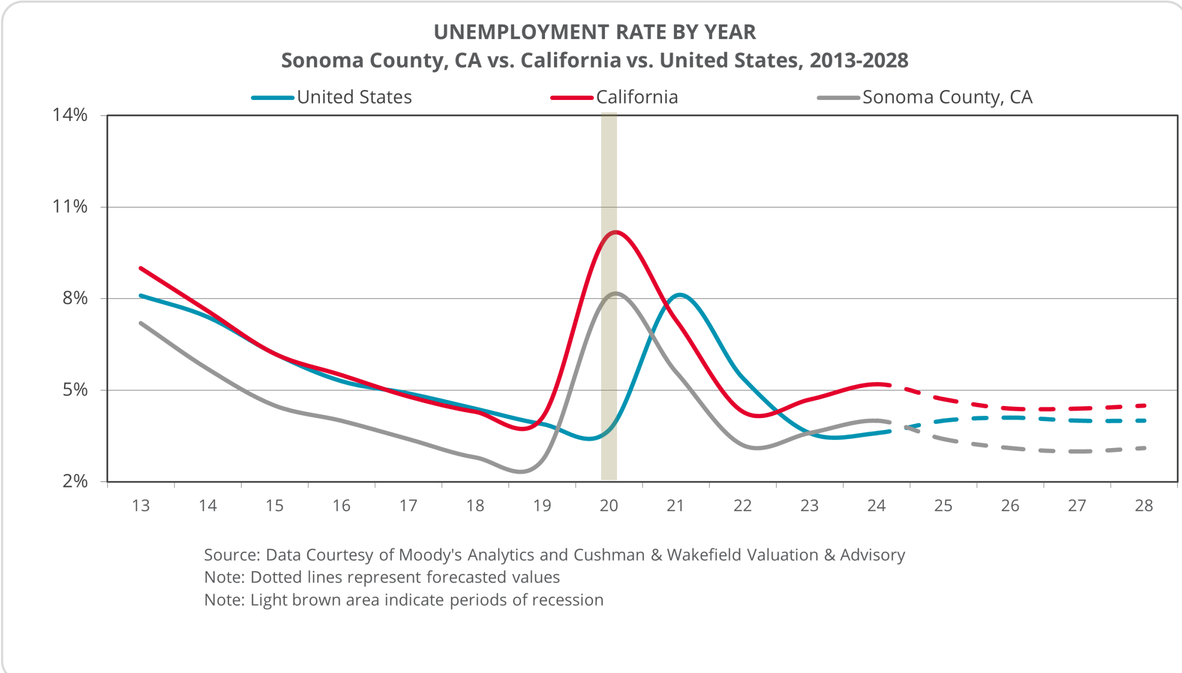
The following chart illustrates employment growth for Sonoma County, CA and the United States:



Unemployment

From 2013 through 2023, the Sonoma County, CA regional unemployment rate decreased at an average annual rate of 6.7%, compared to the nation's unemployment rate which decreased at an average annual rate of 6.8%. Sonoma County, CA's unemployment rate is forecast to decrease by an average annual rate of 6.1% between 2024 and 2028.

The graph below illustrates unemployment rates for Sonoma County, CA, the State of California, and the United States:

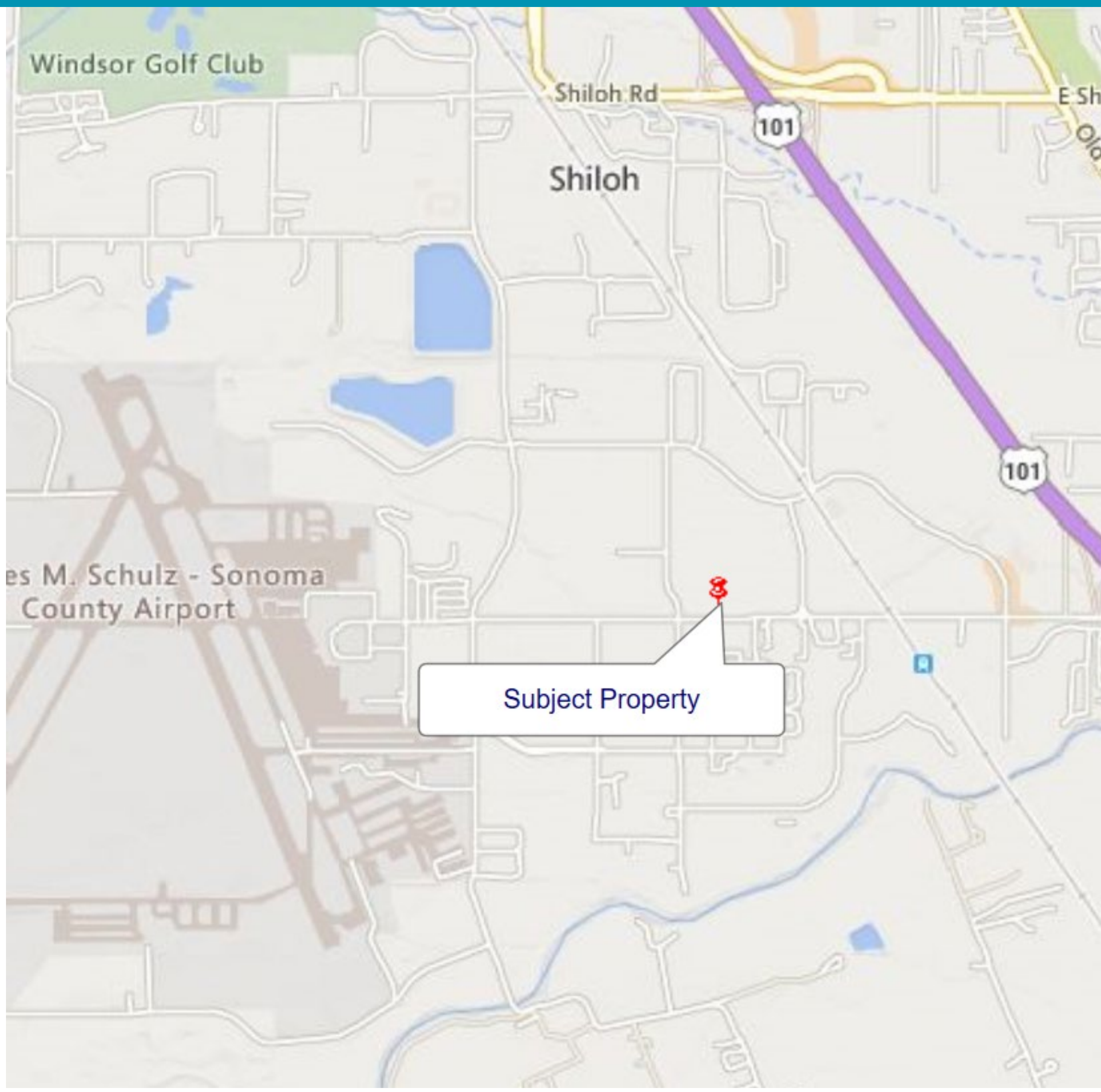


Conclusion

Sonoma County has shown positive economic trends over the past year despite challenges. The county's unemployment rate remains below the national average, and its total nonfarm employment levels have increased by 4.5% compared to the previous year as of September 2024. Tourism is a key driver of the economy, with the many wineries and breweries being popular attractions for both travelers and residents. The leisure and hospitality sector has seen the most employment growth, followed by the construction and financial activities sectors. Sonoma County's proximity to the San Francisco Bay Area also makes it an attractive location for Bay Area employees. The county's high quality of life and strong demographics are expected to continue supporting its economic performance shortly.

Local Area Analysis

LOCAL AREA MAP



Location Overview

The property is located in the Schulz Airport neighborhood of Santa Rosa, a city north of San Francisco, California. The subject property is located on the northeastern corner of Brickway Boulevard and Airport Boulevard within the larger Brickyard Business Park. Land uses in the immediate area surrounding the subject are largely light industrial and office developments.

Neighborhood Analysis

The property is situated equidistant to the airport and Highway 101. Many properties in the neighborhood are airport supportive uses. The major thoroughfares through the immediate region are Highway 101 traveling north and south and Highway 12 traveling east and west.

The Schulz Airport neighborhood is situated in the northerly part of the city and is generally bounded by Shiloh Road to the north, Highway 101 to the east, River Road to the south, and Charles M. Schulz Airport to the west. Generally, a mixture of land uses can be found throughout the neighborhood, but the local area is predominantly light industrial and office. Regional access is accessible by Highway 101, with the nearest access point being approximately a half mile west.

Nearby and Adjacent Uses

The subject's local area is composed of a mixture of light industrial and office on the main roadways. The immediate adjacent uses to the subject are as follows:

- North - R&D;
- South - Office;
- East - Office;
- West - Vacant Land.

Land Use Changes

We are not aware of any significant land use changes which would have a direct impact on the subject property.

Public Utilities and Services

All necessary utilities, including water and sewer, are available to the market area. These utilities are provided at a quality and cost considered consistent with nearby competing areas. The local area is also adequately served by public/private schools, and fire protection.

Special Hazards or Adverse Influences

We observed no detrimental influences in the local market area, such as landfills, flood areas, noisy or air polluting industrial plants, or chemical factories.

Access

Local area accessibility is generally good, relying on the following transportation arteries:

Local:	North-South access throughout the local area is provided by Skylane Boulevard. East-West access throughout the local area is provided by Airport Boulevard.
Regional:	Local access throughout Sonoma County is good and easily accessible via U.S. Highway 101 north/south. This freeway connects with Interstate 80 via Interstate 580, providing convenient East Bay access via the San Rafael/Richmond Bridge. U.S. Highway 101 provides direct access from Sonoma County south into San Francisco across the Golden Gate Bridge. Highway 101 continues north through the western portion of the state linking the northwestern California communities lying east of the Coast Range. It eventually intersects with State Highway 1 in Eureka and continues north along the northwest California coast into Oregon. Major east-west transportation links within the county include Highway 12, which connects Santa Rosa and Sonoma.

Local Area Analysis Conclusion

The property has a good location within northern Santa Rosa in a well-established industrial area. The long-term outlook is cautiously optimistic as the high quality of life provided from this region, its proximity to San Francisco and well-established local neighborhood should provide stability to the area. The area is negatively impacted by lack of a robust public transportation system, which has limited potential employers from locating to the area.

National Industrial Market Analysis – Third Quarter 2024

Introduction

Overview

Economic growth picked up more than anticipated in the second quarter of 2024. This is primarily due to inflation beginning to cool, coupled with a strong labor market that has allowed consumers to keep spending, despite lingering high interest rates. Gross Domestic Product (GDP), adjusted for inflation, increased by 3% at an annual rate, a pace much faster than the 1.6% recorded in the first quarter (according to third estimates). While GDP data is preliminary and will need to be revised at least twice, the Federal Reserve (Feds) believe the economy is on track for a "soft-landing," which happens when inflation eases without triggering a recession. Here at Cushman & Wakefield, however, our view differs a bit, and we see the current economic conditions as more of what we would call a "slow-cession." This is unlike a soft-landing in the sense that the former involves more deceleration in the labor markets, and in growth, whereas a soft-landing scenario would imply slightly stronger growth, and likely fewer and more delayed rate cuts in the second half of the year. Regardless, both outcomes are good for the commercial real estate market.

It has taken the Feds upwards of two years to slow the economy with restrictive policy rates, because much of the private sector (including households and corporates) had locked-in low interest rates. The upcoming interest cutting cycle will help loosen financial conditions, improve sentiment and confidence, as well as alter the buyer/seller psychology more than it will in measurably changing the foundations of what the CRE market is really facing, which is the one-off adjustment to normalized, higher, longer-dated costs of capital. The adjustment process will happen regardless of the cutting cycle as invested capital needs to face and contend with this reset. Fresh capital is positioned to do very well, but even invested capital is going to be relatively insulated because there were many years of strong NOI growth, existing cash flows, and appreciation to build enough equity. From an acquisition and capital deployment sense, we have essentially passed through the worst of the vintage years and the coming years are going to be a great time for acquisitions, not only due to higher yields, but also due to relatively robust income growth potential.

- As reported by the U.S. Census Bureau and the U.S. Department of Housing and Urban Development, year-over-year new single-family home sales increased 6.3% in September 2024, to a seasonally adjusted annual rate of 738,000 units. The median sale price of new homes sold in September 2024 was $426,300 and the seasonally adjusted estimate of new homes for sale at the end of September was 470,000 units, reflecting an estimated supply of 7.6 months. Of note, an estimated 668,000 new homes were sold in 2023, increasing 4.2% over the 2022 number of 641,000.

- The U.S. Commerce Department advanced statistics reported for the month of September 2024 seasonally adjusted year-over-year retail and food service sales increased 1.7% compared to September 2023. Total sales for the first nine months of the year increased 2.6% compared to the same time frame in 2023. Through the first three quarters of 2024, auto sales and their components increased 0.9% over the year; clothing and clothing accessories store sales increased 2.4%; and food services and drinking places sales increased 5.0%, electronics & appliance store sales increased 0.6%, and eCommerce/non-store retail sales increased 8.2% over sales reported in the first three quarters of 2023. Sales at general merchandise stores increased 2.8% and sales at building materials & garden equipment and supplies dealers decreased 2.0%.

- U.S. Census Bureau reported new orders for manufactured durable goods increased in August 2024, up six of the last seven months, increased $0.1 billion or relatively unchanged to $289.7 billion. This follows the 9.9% increase in July. Excluding transportation, new orders increased 0.5%. Excluding defense, new orders decreased 0.2%.
- According to the Federal Reserve, overall industrial production decreased 0.3% in September 2024 after advancing 0.3% in August. A strike at a major producer hindered industrial production in September, and the impacts of two hurricanes subtracted an estimated 0.3%, For the third quarter as a whole, industrial production declined at an annual rate of 0.6%. On a year-over-year basis, production was down 0.6%.
- As reported by the Federal Reserve Bank of St. Louis, in September overall U.S. industrial index was 102.64 was down from the 103.31 index in September 2023, relative to an index base of 100 established 2017. By comparison, the current index is slightly below the recent peak reached in September 2022 (103.53) and significantly above the 84.6 low point the index reached in April 2020.
- According to the Institute for Supply Management Manufacturing latest Purchasing Manager's Index (PMI) for the U.S. registered 47.2% in September 2024, mirroring the figure recoded in August. The overall economy continued in expansion for the 53 consecutive months following one of contraction in April 2020. (A Manufacturing PMI above 42.5% over a period of time, generally indicates an expansion of the overall economy). The chair of the ISM states "U.S. manufacturing activity contracted again in September, as t at the same rate compared to last month. Demand continues to be weak, output declined, and inputs stayed accommodative. Demand slowing was reflected by New Orders Index remaining in contraction territory, New Export Orders Index contracting at a faster rate, Backlog of Orders Index staying in strong contraction territory, and Customers' Inventories Index indicating customers' inventories were "about right." Output (measured by Production and Employment Indexes) continues in contraction with mixed results: Employment shrunk at a faster rate while production approached expansion, with levels on par compared to August. Panelists cited continuing efforts by their companies to right-size workforces to levels consistent with projected demand. Inputs – defined as supplier deliveries, inventories, prices and imports – generally continued to accommodate future demand growth, with inventories returning to low levels and suppliers showing some difficulty in meeting customer needs."

National Industrial Market Statistics

Since the start of 2024, 433.6 msf of new deals have been completed, a slight decrease of 6.7% compared to the first three quarters of 2023. However, 32 markets posted YTD increases in new leasing volume, with 22 markets posting improvements of 10% or higher. Many larger occupiers continued the flight-to-quality trend, with 65% of the square footage leased YTD by tenants with 100,000 square feet (sf) or more occurring in warehouse facilities built since 2020. These newer, high-quality assets have captured nearly two-thirds of leasing activity, despite representing only 13% of total inventory.

Net absorption was modest in the third quarter, as some large occupiers continued to shed unneeded space due to cooling consumer demand and shifting of inventory strategies. With 29.4 msf in the third quarter, net absorption was down 35% quarterover-quarter (QOQ) but was 40% stronger than the first quarter of 2024. As in recent years, much of the positive net absorption is tied to the delivery of either build-to-suit or preleased speculative developments, continuing the trend that new, high-quality product continues to outperform. Eight markets yielded more than 5.0 msf of YTD net growth, and 60% of the industrial markets recorded positive absorption during that time. Meanwhile, eight markets accounted for the majority of negative YTD absorption, led by Los Angeles, Oakland/East Bay, Northern New Jersey and Seattle.

Both vacant speculative deliveries and some additional sublease vacancies pushed the U.S. industrial vacancy rate up from 6.1% in the second quarter to 6.4% in the third. Although higher than the lows posted in 2021 and 2022, the vacancy rate remains below pre-pandemic averages, at 7%. Of the 84 markets tracked by Cushman & Wakefield, 48 had vacancy rates at 6% or lower at the close of the quarter. However, two-thirds of U.S. markets experienced QOQ increases in vacancy rates. While vacant sublease space continued to tick higher nationally, the bulk of new sublease vacancies were concentrated in a handful of markets, led by Los Angeles, Phoenix, Chicago and the Inland Empire.

The following table presents a snapshot of U.S. Industrial Market Statistics:

UNITED STATES INDUSTRIAL MARKET
ALL MARKETS (INCLUDES ALLIANCE OFFICES)

EMPLOYMENT INDICATORS	Q3 2024	Y-O-Y CHANGE	12 MONTH FORECAST
Total Nonfarm Employment	158.7	▼	▲
Industrial Employment	43.4M	▲	▲
Unemployment	4.1%	▲	▼

Source: U.S. Bureau of Labor Statistics

MARKET INDICATORS	Q3 2024	Y-O-Y CHANGE	12 MONTH FORECAST
Overall Vacancy	6.4%	▲	▬
Overall Net Absorption (msf/ytd)	29.4	▼	▲
Under Construction (msf)	309.3	▼	▼
Overall Asking Rents (psf)	$10.08	▲	▲

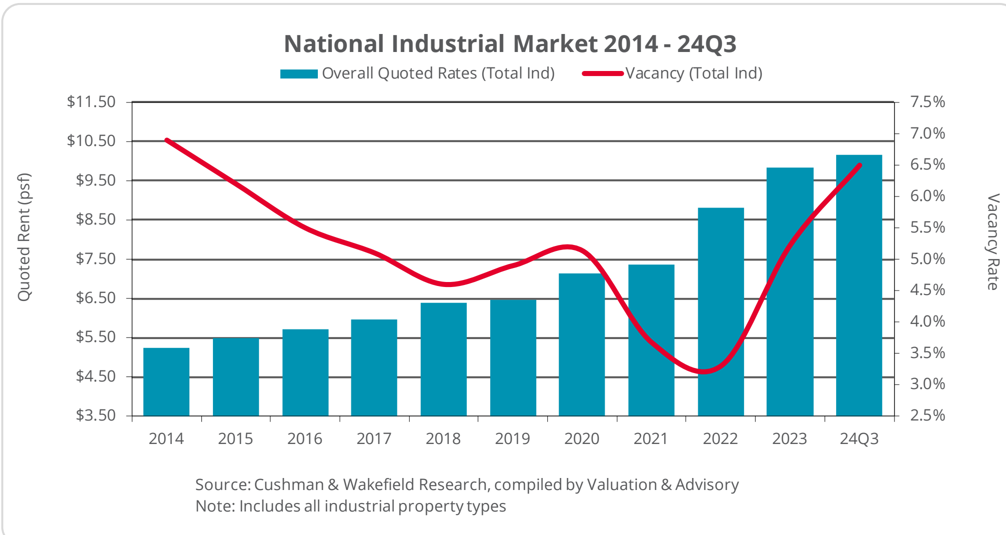
Source: Cushman & Wakefield Research, compiled by Valuation & Advisory

The following details our recent assessment of the U.S. Industrial Market:

- While some occupiers' "wait and see" approach to space needs is dampening demand from recent record highs, third-quarter leasing activity (139.6 msf) was 8% higher than the 10-year pre-pandemic average and nearly equal to last year's total (140.9 msf).
- Despite cooler demand and rising vacancy rates, the U.S. average asking rental rate increased by 4.3% YOY to $10.08 per square foot (psf), surpassing the $10 psf mark for the first time in history. While rent growth has moderated in 2024 compared to the double-digit gains of 2022 and 2023, some markets continue to report robust gains. Of the 84 markets tracked, 58 reported YOY rent growth, and 12 reported rent growth of 10% or higher. Conversely, 26 markets reported annual rent declines, with the largest decreases mostly occurring in markets on the West Coast.

- Another 90 msf of new industrial facilities were delivered in the third quarter024, marking the first time quarterly deliveries fell below the 100-msf mark since the first quarter of 2022. Speculative construction continues to dominate, accounting for 83% of the 335.8 msf of YTD deliveries. After the current wave of supply is delivered, there is not much on the other side. As of the third quarter, only 309.3 msf of industrial product is under development, the lowest level since 2018. One year ago, 29 markets had at least 5 msf of industrial developments underway. Now, only 18 markets have pipelines exceeding 5.0 msf. This sharp drop in new construction sets the stage for vacancy to erode and rent growth to accelerate more meaningfully in the outer years of our forecast horizon (2026-27).

The following graph presents rental rates compared to vacancy rates from 2014 through third quarter 2024:



The following table presents the current U.S. Industrial Market Statistics by Individual Markets:

Industrial Market Statistics by Market
United States
Third Quarter 2024

MARKET/SUBMARKET	Inventory	Overall Vacancy Rate	YTD Leasing Activity	Under Construction	YTD Construction Completions	YTD Overall Absorption	Overall Weighted Average Net Rental Rate*		
							Overall	W/D	MF
Atlanta, GA	774,947,713	8.1%	20,098,956	10,139,393	20,055,854	6,747,015	$7.18	$6.95	$7.69
Austin, TX	91,400,148	11.3%	5,554,934	8,357,041	6,728,512	4,057,275	$13.49	$12.24	$0.00
Baltimore, MD	235,028,651	5.5%	3,975,003	2,162,831	1,988,908	348,898	$8.90	$8.55	$0.00
Binghamton, NY**	17,612,889	6.5%	20,200	0	0	(54,500)	$7.67	$6.00	$3.00
Birmingham, AL**	17,327,298	11.7%	616,383	0	0	33,695	$6.71	$6.56	$0.00
Boise, ID**	56,446,997	8.3%	2,310,569	6,779,118	3,604,690	1,664,361	$9.93	$9.80	$8.45
Boston, MA	167,507,353	8.8%	1,909,482	2,439,373	2,310,560	684,589	$15.25	$14.97	$16.12
Buffalo, NY**	116,158,166	6.0%	734,632	0	0	(566,129)	$8.31	$7.95	$6.50
Central Valley CA	171,410,765	6.9%	4,235,869	2,437,455	3,040,186	2,184,488	$8.48	$8.48	$8.47
Charleston, SC**	101,328,935	11.9%	2,732,547	2,911,156	4,611,835	(485,735)	$7.65	$7.47	$7.56
Charlotte, NC	310,028,482	7.5%	6,041,875	5,205,153	10,921,918	3,126,801	$8.07	$7.98	$9.70
Chicago, IL	1,244,549,613	4.7%	20,088,718	10,971,554	10,344,735	7,270,269	$7.14	$7.26	$6.60
Cincinnati, OH	324,803,004	5.9%	3,893,178	1,200,135	2,003,745	(811,498)	$6.29	$6.35	$5.19
Cleveland, OH**	527,408,559	2.6%	7,580,880	4,133,404	891,985	1,376,357	$5.85	$5.69	$0.00
Colorado Springs**	40,976,703	4.2%	887,310	606,918	507,060	(5,514)	$10.96	$11.33	$9.46
Columbia, SC	103,649,699	4.6%	323,092	519,792	779,140	907,123	$5.00	$5.48	$3.80
Columbus, OH	328,668,290	7.6%	8,539,039	4,352,344	6,017,744	2,513,162	$6.66	$6.60	$5.17
Dallas/Ft. Worth, TX	1,004,790,052	9.3%	32,093,072	16,155,889	35,731,279	18,794,181	$8.47	$7.96	$10.14
Denver, CO	271,560,855	7.9%	7,127,335	4,115,657	3,602,525	2,727,610	$10.32	$9.13	$9.53
Des Moines, IA	77,743,150	5.8%	1,069,797	19,500	1,396,486	66,530	$5.82	$5.69	$0.00
Detroit, MI	499,967,266	3.4%	3,458,936	1,357,230	2,734,264	(952,388)	$7.48	$6.86	$6.72
El Paso, TX**	74,288,312	10.1%	1,654,157	5,743,379	4,412,118	374,712	$7.50	$7.50	$8.50
Fort Myers/Naples FL**	49,411,872	3.4%	1,560,340	707,767	575,594	134,960	$14.30	$13.92	$17.59
Fredericksburg, VA**	19,723,022	7.0%	356,559	10,000	591,756	(19,144)	$11.22	$11.24	$10.10
Ft. Lauderdale, FL	92,781,170	3.4%	1,837,074	311,000	790,006	273,901	$15.86	$15.74	$15.49
Greensboro/Winston-Salem, NC	255,382,488	5.2%	3,113,677	1,224,274	2,143,264	(1,251,302)	$5.80	$5.91	$5.26
Greenville, SC**	252,287,705	10.9%	5,254,382	4,894,965	7,177,540	663,169	$5.85	$5.87	$4.54
Hampton Roads, VA**	114,446,726	3.7%	940,143	4,677,321	1,001,209	872,654	$9.69	$9.35	$9.81
Hartford, CT	94,391,038	4.7%	864,867	185,600	170,300	(249,582)	$6.93	$6.94	$5.14
Houston, TX	579,071,027	6.0%	25,358,853	9,977,580	14,387,242	16,965,860	$7.47	$7.24	$7.29
Indianapolis, IN	350,197,159	11.1%	11,016,303	4,243,934	5,057,751	298,928	$5.96	$5.89	$5.52
Inland Empire CA	639,147,843	7.9%	34,801,860	14,812,341	21,339,209	152,374	$14.96	$15.03	$13.50
Jacksonville, FL	114,856,773	6.1%	3,740,810	3,591,227	2,212,250	157,987	$7.78	$7.64	$9.40
Kansas City, MO	268,098,013	7.1%	8,456,143	8,223,791	6,839,791	1,400,215	$5.72	$5.23	$5.00
Lakeland, FL	73,396,129	8.8%	2,636,894	777,675	1,975,953	342,474	$7.43	$7.43	$0.00
Las Vegas, NV	168,361,906	8.8%	6,540,678	7,769,897	11,476,477	2,424,037	$12.91	$12.56	$13.23
Long Island, NY	135,459,597	4.7%	2,660,576	694,402	489,998	(358,242)	$18.14	$18.17	$16.23
Los Angeles, CA	802,696,158	4.8%	21,640,008	6,000,566	5,108,669	(8,763,756)	$17.26	$17.58	$15.10
Louisville, KY**	202,265,861	4.1%	5,133,165	3,684,776	2,029,308	1,571,043	$6.02	$6.02	$5.18
Madison, WI	87,900,022	2.6%	1,455,633	1,340,103	1,031,988	1,271,538	$6.15	$6.81	$4.99
Memphis, TN**	309,170,883	7.6%	7,194,475	460,000	387,088	2,320,752	$4.19	$4.01	$4.56
Miami, FL	178,260,649	5.4%	4,747,934	4,356,226	5,939,742	479,654	$16.62	$16.52	$14.84
Milwaukee, WI**	215,310,352	3.7%	2,466,428	1,850,099	1,178,626	(73,435)	$5.28	$5.35	$4.81
Minneapolis, MN	356,765,289	4.6%	6,670,472	2,254,528	3,777,613	2,622,503	$7.96	$7.48	$7.52

** C&W Alliance Office * RENTAL RATES REFLECT ASKING $PSF/YEAR MF = MANUFACTURING W/D = WAREHOUSE/DISTRIBUTION

Source: Cushman & Wakefield Research; compiled by C&W V&A

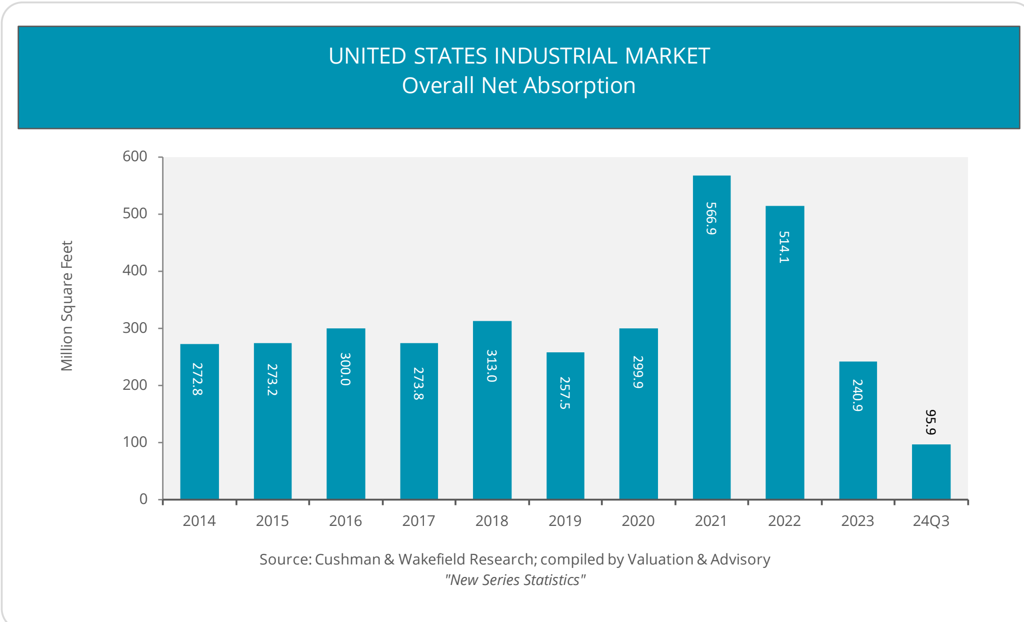
Industrial Market Statistics by Market
United States
Third Quarter 2024 - Continued

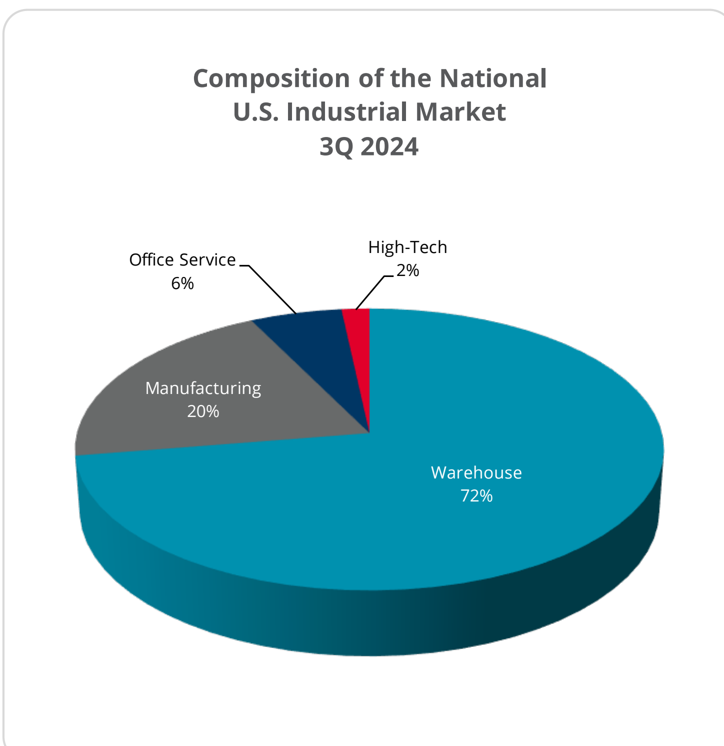
MARKET/SUBMARKET	Inventory	Overall Vacancy Rate	YTD Leasing Activity	Under Construction	YTD Construction Completions	YTD Overall Absorption	Overall Weighted Average Net Rental Rate* Overall	W/D	MF
Nashville, TN	254,066,608	3.4%	5,449,597	5,849,788	5,096,914	5,737,979	$8.19	$7.94	$12.25
New Haven, CT	47,602,474	3.2%	191,146	0	0	305,510	$8.15	$7.34	$8.83
New Jersey - Central	379,737,837	8.0%	12,465,949	3,794,488	7,550,668	(1,895,081)	$16.32	$16.76	$12.67
New Jersey - Northern	306,336,048	7.4%	8,761,423	4,213,493	2,802,056	(2,960,259)	$18.82	$19.43	$13.68
Northern VA	62,137,119	4.5%	1,186,156	488,022	221,192	(167,718)	$16.51	$14.99	$0.00
NY Outer Boroughs	139,616,525	5.1%	2,177,695	1,902,746	791,754	(82,173)	$28.76	$29.06	$21.92
Oakland/East Bay CA	213,570,300	6.4%	3,360,110	1,648,546	583,826	(3,731,322)	$15.52	$15.32	$15.90
Omaha, NE**	108,088,481	2.8%	2,409,211	3,944,790	1,290,769	732,292	$7.79	$7.27	$6.56
Orange County CA	254,421,547	3.6%	4,876,816	1,796,691	1,244,093	(1,892,526)	$18.55	$19.05	$17.35
Orlando, FL	124,852,344	8.1%	3,750,188	2,286,900	4,673,622	(422,103)	$10.29	$9.56	$11.55
Palm Beach County, FL	42,863,684	6.6%	1,065,100	353,386	1,641,532	786,642	$15.70	$15.91	$10.84
Pennsylvania I-81/I-78 Distribution Corridor	382,552,754	5.2%	12,223,847	7,077,415	10,352,708	6,583,237	$9.54	$9.57	$6.50
Philadelphia, PA	202,209,070	8.6%	7,239,029	13,826,720	3,211,364	2,282,170	$12.33	$12.39	$10.77
Phoenix, AZ	437,947,657	12.7%	15,762,819	25,227,771	34,975,368	15,164,467	$13.11	$12.17	$12.77
Pittsburgh, PA**	165,033,735	6.0%	1,826,741	197,500	395,000	(203,306)	$7.88	$7.37	$5.12
Portland, OR	230,736,252	5.5%	4,426,883	2,545,351	1,948,919	(2,286,728)	$10.86	$10.63	$10.62
Providence, RI**	78,390,305	0.2%	264,128	0	0	264,128	$6.50	$7.50	$0.00
Puget Sound - Eastside	66,594,114	6.4%	2,122,377	242,981	1,134,241	(248,527)	$13.36	$11.37	$12.98
Raleigh/Durham, NC	112,285,813	8.3%	4,786,182	4,550,201	3,129,835	331,689	$10.31	$8.70	$7.87
Reno, NV**	117,622,651	9.7%	2,996,276	6,115,015	4,214,456	(2,488,906)	$11.69	$11.21	$0.00
Richmond, VA**	115,062,515	3.9%	2,210,700	3,948,817	3,376,912	1,705,210	$8.53	$8.32	$10.60
Roanoke, VA**	40,733,720	2.1%	266,695	9,900	0	74,715	$6.23	$5.70	$7.72
Rochester, NY**	84,337,459	5.4%	91,775	0	0	(578,238)	$6.97	$7.25	$6.50
Sacramento, CA	116,321,408	5.6%	2,059,206	228,516	644,217	(504,531)	$10.06	$10.27	$8.38
Salt Lake City, UT	161,205,202	5.8%	3,924,106	2,858,994	4,354,808	3,557,114	$9.66	$9.57	$10.82
San Antonio, TX**	88,895,557	12.3%	2,751,051	4,569,189	1,238,612	(221,660)	$8.13	$7.50	$0.00
San Diego, CA	161,270,578	6.0%	3,209,475	3,348,155	1,178,730	(1,138,142)	$18.36	$16.76	$18.43
San Francisco North Bay, CA	32,630,622	5.4%	426,301	156,990	270,288	(111,681)	$15.03	$15.09	$14.91
San Francisco Peninsula, CA	39,940,713	4.7%	383,991	0	20,000	(499,444)	$21.11	$20.66	$26.08
Santa Clara County (San Jose), CA	87,731,657	4.8%	1,822,893	938,608	1,096,553	(439,485)	$18.02	$15.85	$19.87
Savannah, GA**	136,598,422	9.0%	8,331,059	25,156,348	10,744,587	7,443,621	$6.56	$6.95	$0.00
Seattle, WA	264,453,094	7.5%	6,519,011	4,390,786	5,420,011	(2,498,355)	$11.87	$11.39	$11.45
Southern New Hampshire	54,908,921	5.9%	558,700	441,623	323,750	(458,308)	$12.23	$12.75	$10.85
St. Louis, MO	267,323,270	3.6%	2,550,282	958,856	1,529,163	1,312,666	$5.47	$5.26	$4.72
St. Petersburg/Clearwater, FL	35,864,970	5.0%	1,061,423	387,472	208,510	(397,770)	$10.25	$11.33	$8.29
Suburban MD	50,968,821	7.7%	1,016,548	555,532	235,577	205,062	$12.81	$10.63	$0.00
Syracuse, NY**	46,912,525	3.8%	231,092	182,212	63,920	(283,415)	$7.11	$7.08	$5.93
Tampa, FL	85,480,702	5.8%	2,980,145	3,047,777	2,217,918	1,404,643	$10.35	$9.86	$10.59
Tucson, AZ**	51,913,898	5.2%	1,591,003	20,900	227,500	80,955	$9.64	$7.83	$0.00
Tulsa, OK**	67,480,476	2.8%	830,334	416,089	40,000	213,499	$6.24	$6.32	$5.51
Northeast	2,418,766,696	6.3%	52,221,282	34,955,572	28,462,078	2,430,401	$14.08	$14.75	$9.44
Midwest	4,656,822,468	5.0%	79,655,020	44,850,268	44,094,660	17,027,139	$6.56	$6.39	$6.06
South	6,171,134,346	7.2%	170,649,503	137,486,866	157,265,727	73,109,782	$8.13	$7.83	$7.14
West	4,386,960,920	7.0%	131,024,896	92,041,256	105,991,826	3,346,489	$13.63	$13.13	$14.62
United States	**17,633,684,430**	**6.4%**	**433,550,701**	**309,333,962**	**335,814,291**	**95,913,811**	**$10.08**	**$9.82**	**$9.50**

** C&W Alliance Office * RENTAL RATES REFLECT ASKING $PSF/YEAR MF = MANUFACTURING W/D = WAREHOUSE/DISTRIBUTION

Source: Cushman & Wakefield Research; compiled by C&W V&A

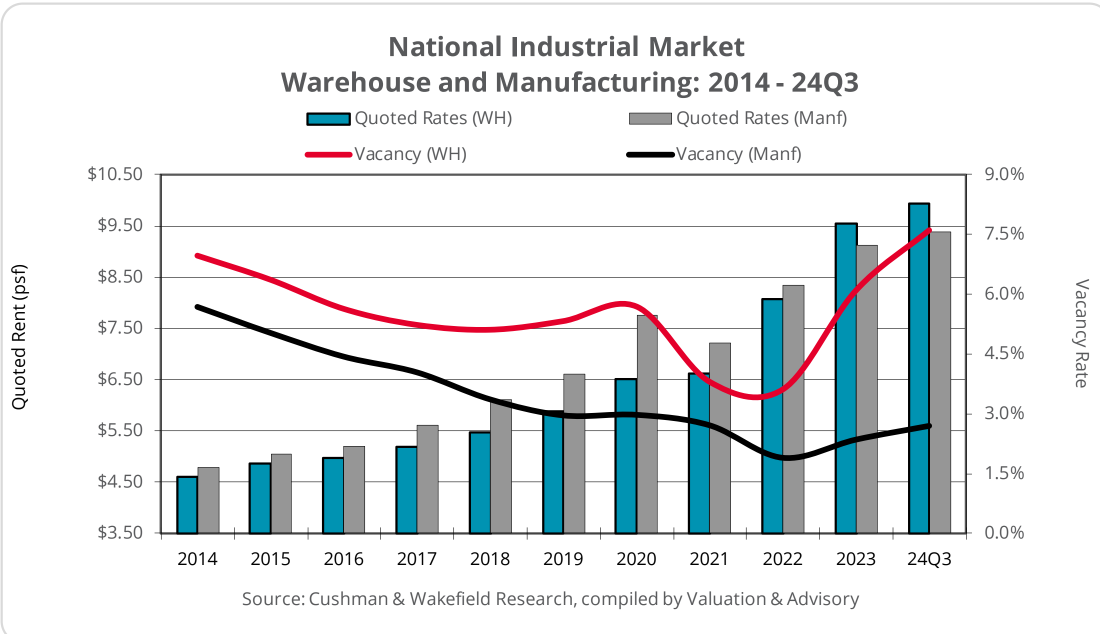
The following graphic presents historical annual Overall Net Absorption in the U.S. Industrial Market from 2014 through third quarter 2024:



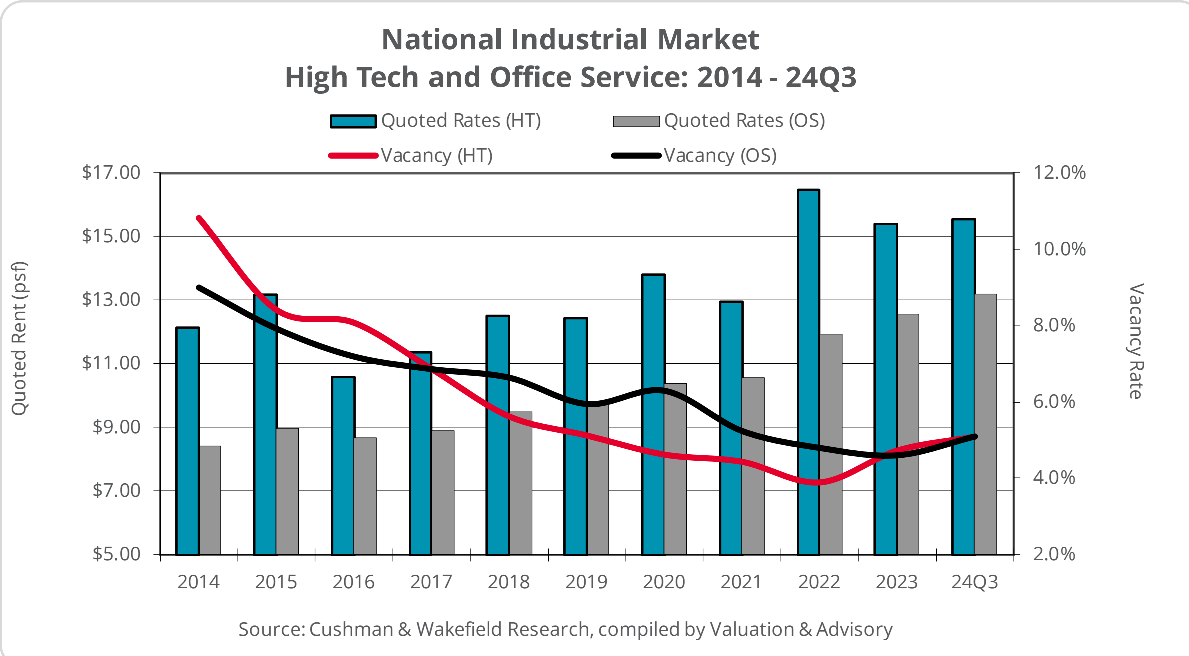


Cushman & Wakefield's industrial data is comprised of High-Tech, Manufacturing, Office Service, and Warehouse space, all of which displayed slightly unique patterns in recent years. The overall vacancy rate of warehouse facilities increased 220 basis points over the previous 12-month period to 7.6% in third quarter 2024, while the vacancy rate of manufacturing facilities increased 50 basis points to 2.7%. Concurrently, warehouse direct rental rates increased 5.8% to $9.93 per square foot by third quarter 2024, while direct asking rents for manufacturing space increased 3.2% to $9.38 per square foot over the same time period.

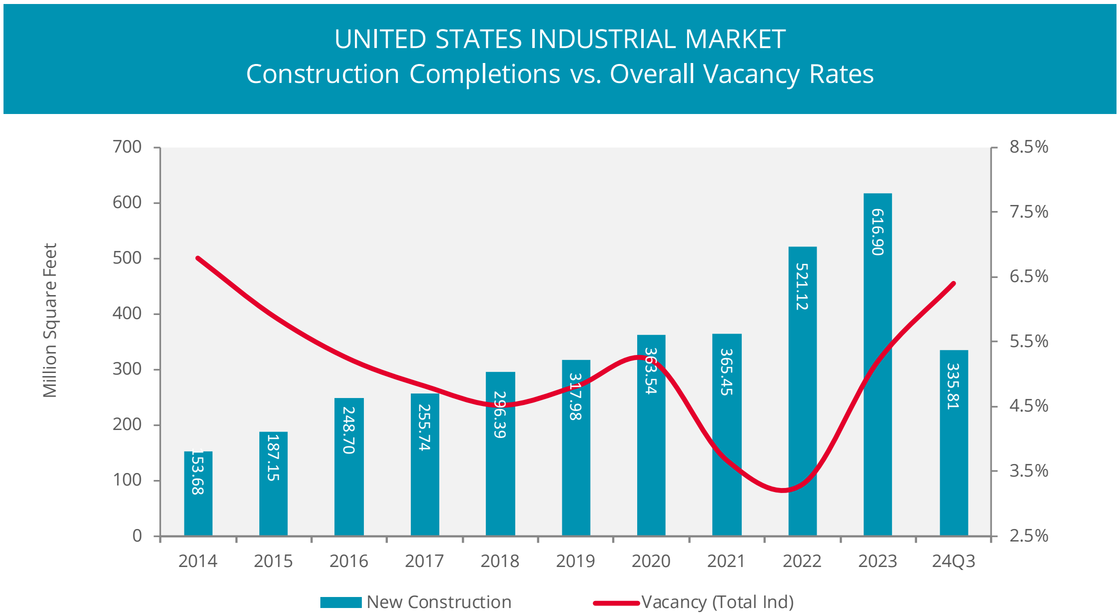
The following graphs detail industrial vacancy and rental rates from 2014 through third quarter 2024:



As of third quarter 2024, the overall vacancy rate in the High-Tech sector of the national industrial market increased 60 basis points to 5.1% since third quarter 2023, while the vacancy rate for the Office Service sector increased 40 basis points year-over-year at 5.1%. Over the previous twelve-month period, rental rates in the High-Tech sector increased 3.4% to $15.55 per square foot net, while rental rates in the Office Service sector increased 6.09% year-over-year to a reported weighted average rental rate of $13.20 per square foot net.

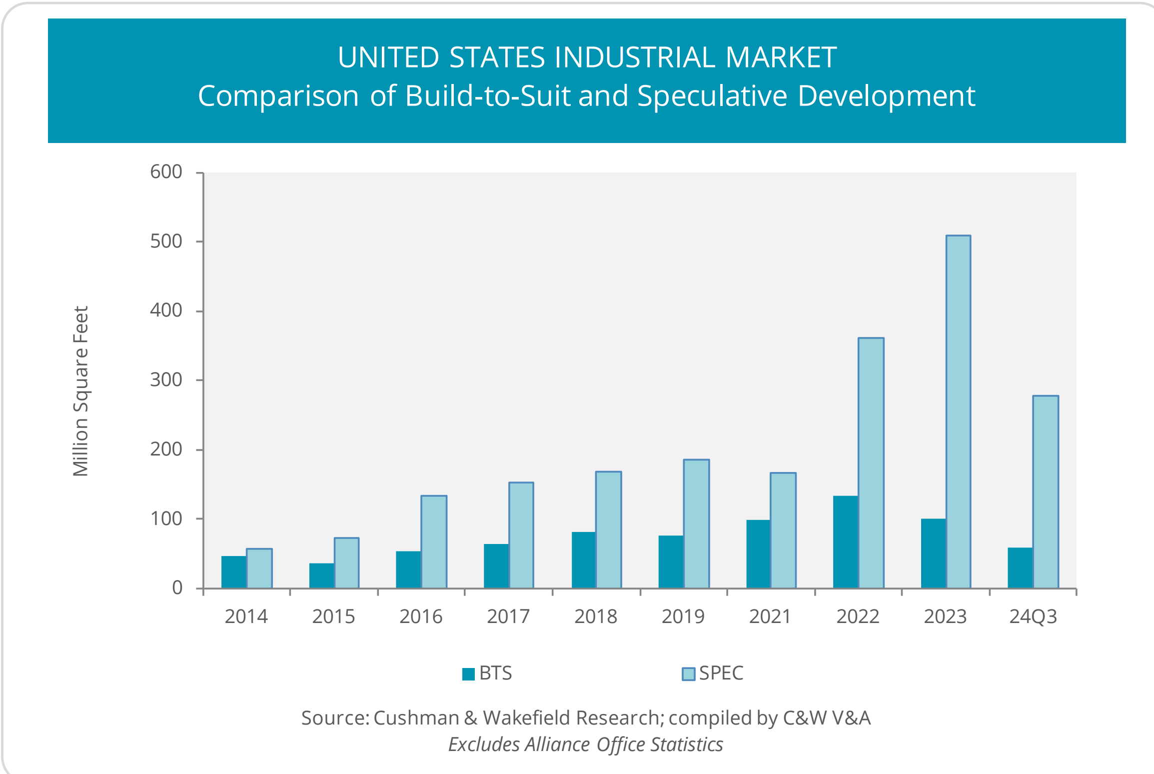


The following graphic presents a comparison of historical Construction Completions and Overall Vacancy Rates in the U.S. Industrial Market from 2014 through third quarter 2024:



Source: Cushman & Wakefield Research; compiled by Valuation & Advisory
"New Series Statistics"

The following graph presents a comparison of Build-to-Suit and Speculative Development in the U.S. Industrial Market from 2014 through third quarter 2024.



National Industrial Investment Sales Market

Overall Rates

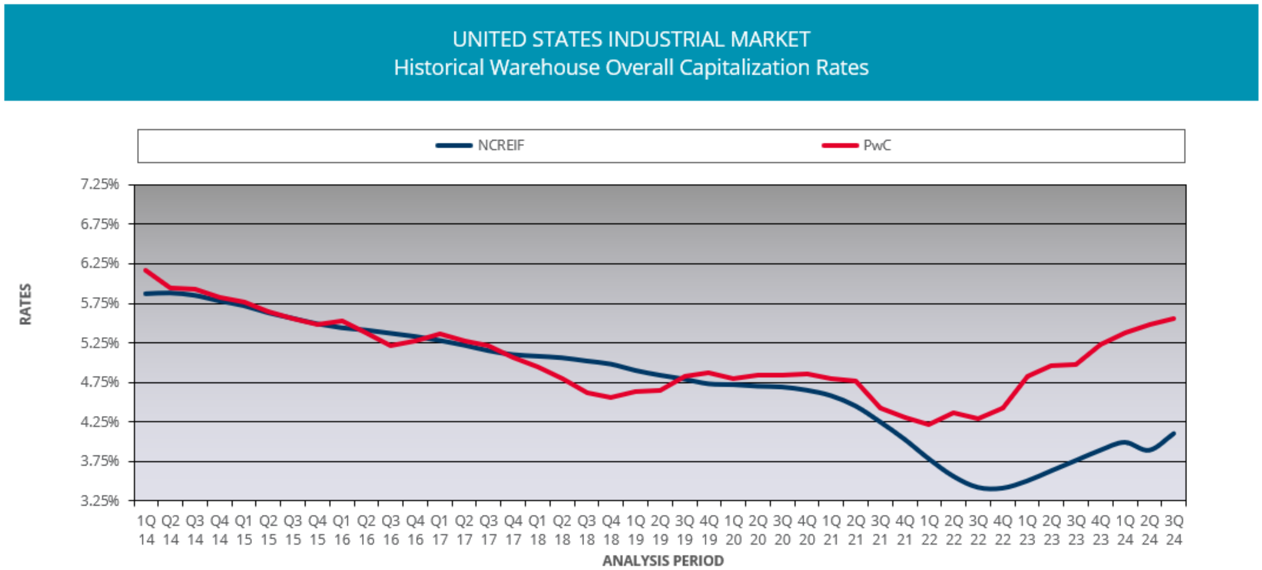
According to the PwC Real Estate Investor Survey, real estate cycles vary across markets and geographic areas, as well as within markets and geographic locations based on property type. According to the most recent PwC Real Estate Barometer, additions to supply and a slowdown in leasing activity are forecasted to cause rising vacancy rates in many metros across the U.S. industrial sector in the near term. Over the next four years, the contraction phase of the real estate cycle is expected to characterize most of the sectors. At the same time, the portion of the industrial metros in recession will also increase, reaching 33.0% by year-end 2027. In the warehouse market, average overall cap rates increased for the seventh consecutive quarter, albeit slightly. The average overall capitalization rate (OAR) for the national warehouse market reached 5.55% at third quarter 2024, increasing 7 basis points quarter-over-quarter and 58 basis points year-over-year.

According to the PwC *Emerging Trends in Real Estate 2024,* rent growth is expected to slow from double-digit numbers, as the effect of surge pricing cools. Additionally, a buyer/seller gap in price expectations produced a slowdown in transaction, reflecting 2022's rapid increase in benchmark interest rates. "Major companies began slowing down their decision-making in early 2023, as economic uncertainty has restricted new spending. These occupiers are evaluating their portfolios with increased oversight before committing resources to new leases." "Underlying requirements in the market have remained elevated; however, the slowdown is mostly delaying deals. Many deals that would have closed in 2023 were pushed to 2024." As a result, PwC shows the contraction phase of the cycle dominating this sector through 2026." According to *Emerging Trends in Real Estate 2024*, investors are not ready to abandon industrial assets; however it no longer holds the top property type on the survey. Following 16 consecutive years of either first or second place, industrial/distribution fell to third (behind multifamily and single-family housing). The survey further notes that market demand is normalizing after years of absorbing space to meet the needs of pandemic-related supply chain disruptions and growing consumer spending. Aside from the impact that economic uncertainty is having on absorption, this slowdown is also a reflection of cost pressures for occupiers, with transportation and labor being the largest expenses and a need to evaluate logistics real estate footprints as part of a long-term supply chain strategy. Occupiers are still moving into new space; however, the process involves more checks and balances before signing new leases. Absorption is slower because deal-making timelines are lengthening.

Both the PwC Real Estate Investor Survey and the National Council of Real Estate Investment Fiduciaries (NCREIF) methodologies offer unique perspectives on cap rate trends. The PwC Real Estate Investor Survey calculates its data based on a personal survey of major institutional equity real estate market participants. In contrast, NCREIF looks at data from actual appraisals included in their benchmark property return index. The index contains quarterly performance data for unlevered investment-grade income-producing properties which are owned by, or on behalf of, exempt institutions.

Despite displaying distinct rates, similar trends are apparent in both the PwC Real Estate Investor Survey and NCREIF data. As reported by NCREIF, the average industrial cap rate has experienced a significant decline from the fourth quarter 2011 rate of 6.11% to the third quarter of 2024 rate of 4.1%.

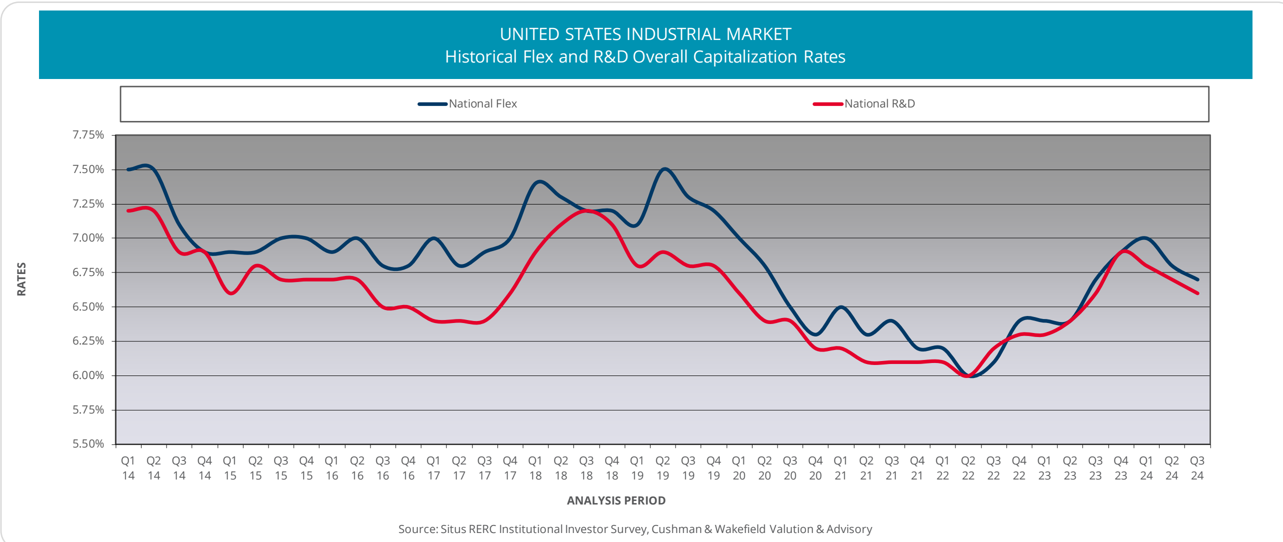
The following graph compares national historical warehouse cap rate trends as reported by NCREIF and PwC:



Source: NCREIF & PwC Real Estate Investor Survey; compiled by Cushman & Wakefield Valuation & Advisory

Finally, the Situs Real Estate Research Corporation (RERC) Institutional Survey reported that since first quarter 2010 national Flex OARs ranged from a peak of 8.0% in first quarter 2012 to a trough of 6.3% in fourth quarter 2020, which then increased to 6.5% by first quarter 2021, before decreasing to 6.2% in fourth quarter 2021. As of third quarter 2024, flex overall cap rates decreased 10 basis points quarter-over-quarter but were unchanged from the previous 12-month period to 6.70%. Throughout this interval, national R&D OARs ranged from a peak of 7.7% in first quarter 2012 to a trough of six percent in second quarter 2022. This rate subsequently increased reaching 6.9% at the end of fourth quarter 2023. As of third quarter 2024, R&D overall cap rates decreased 10 basis points quarter-over-quarter to 6.60%; however, unchanged year-over-year.

The following graph presents national historical Flex and R&D cap rate trends as reported by the Situs RERC Institutional Investor Survey:



According to MSCI Capital Trends U.S. Industrial third quarter 2024 report, the industrial sector turned in a solid performance for the third quarter, despite the slight decline in sale activity compared to last year. Investment activity was also solid comparable to pre-pandemic days and industrial prices are reporting stronger growth than of any U.S. commercial property sector.

The market continues to respond to the multiple shocks caused by the onset of the pandemic in 2020. The shift to online shopping fueled a new source of demand for industrial space which, when combined with significantly low interest rates and mortgage rates, pushed deal volume up to record-high levels. Industrial property sales averaged $42 billion in the third quarter of 2021 and 2022, a pace well above the third quarter average of $24 billion set across the five years before the pandemic.

The $23 billion in sales for the third quarter 2024 is solid, reflecting little difference to what was experienced in the years prior to the pandemic. Portfolio sales were the source of growth during the quarter, with activity up 10% from a year ago on sales of $7.6 billion. Individual asset sales were down 5% year-over-year on sales of $15.8 billion. Last quarter, the market saw a reversed pattern, with portfolio sales down and single asset sales up from a year earlier.

Portfolio and entity-level sales were an important part of the industrial market in 2022, totaling $56.2 billion and representing 37% of all activity. In 2023, portfolio and entity sales totaled $24.1 billion, declining 58% year-over-year. Through third quarter 2024, the $18.1 billion posted reflects a 7.0% year-over-year decline. Individual asset sales, which represented 73% of all industrial investment in 2023, totaled $65.1 billion, was down 37% year-over-year. By comparison, individual asset sales accounted for 63% of all industrial investment in 2022 totaling $95.2 billion. Through third quarter 2024, individual asset sales accounted for roughly 72% of all industrial investments totaling $46 billion. Prior to the pandemic, individual assets represented 56% of the market. Warehouse sales volume measured $74.5 billion in 2023, decreasing 41% year-over-year. Flex deals measured $14.7 billion, down 57% over the year. In the first nine months of 2024, warehouse sales measured $53.1 billion (down 7% year-over-year) and flex deals measured $11 billion in the first three quarters of the year (down 11% year-over-year).

Investors were under-allocated in the industrial sector, relative to other asset classes for a time and both investments and prices increased as interests shifted. The RCA CPPI (Commercial Property Price Index) for industrial increased 0.5% year-over-year in 2023. In third quarter 2024, the RCA CPPI for industrial properties increased 6.7% from a year ago, the strongest increased across all property sectors. Still, the pace of growth is decelerating, with the annualized pace of increase only 5.4%. Investors continue to strongly favor assets with strong fundamentals during the turbulent macroeconomic environment of the last four years. The RCA CPPI for the warehouse market was up from one year ago, up 8.5%. The flex segment of the market rose 1.3% from a year earlier.

Industrial cap rates are on the rise for the year despite prices increasing slightly. This combination implies that industrial property income grew for the year, offsetting the increased cap rates. The RCA Hedonic Series (RCA HS) cap rates for industrial reached 6.4% in the third quarter 2024, up 40 basis points from a year ago. Cap rates for warehouse increased 40 basis points year-over-year to 6.4% in the third quarter 2024. Cap rates for warehouse is the same as the average 6.4% seen over the five years before the pandemic. Therefore, the rebound in cap rates from the excessively low interest rate environment seen in 2021 and early 2022 has reset the pre-pandemic levels. Cap rates for flex space closed at 6.5%, up 30 basis points over the year. Cap rates for flex space remain below pre-pandemic norms, where the five-year average cap rate was 6.7%.

Some of the most active buyers in terms of sales volume in 2023 include EQT Exeter, Brookfield AM, Rexford Industrial REIT, Realty Income Corp., KKR, DRA Advisors, LBA Realty, TA Realty, Investcorp, Longpoint Realty Partners LP, GI Partners, TPG Real Estate, Terreno Realty, CABOT Properties, Stoltz RE Partners, Blackstone, BentallGreenOak, Brennan Investment Group, STAG Industrial, MDH Partners, NVIDIA Corporation, Blue Rise Ventures, MetLife and EQRT.

According to Green Street's July 30, 2024 Real Estate Alert, sales of industrial properties dipped 7.9% in the first half of 2024; however, the sector has already begun to rebound amid pent-up demand for dealmaking among both buyers and sellers. According to Green Street's Sales Comp Database, approximately $23 billion of trades worth at least $25 million closed from January through June 2024, down from $24.9 billion in 2023. The slowdown occurred in first quarter 2024, posting $7.75 billion in activity (the sectors worst start in six years). Sales increased to $15.2 billion in second quarter 2024 and July began with the closing of a $1.3 billion acquisition by Brookfield. Brookfield paid DRA $1.3 billion, or $89 per square feet, for a 14.6 million square foot portfolio across multiple states, with a heavy concentration in Dallas and Atlanta; the largest deal year-to-date. Additionally, EQT Exeter has agreed to pay about $460 million for a 4.6 million square foot warehouse portfolio. The pending acquisition includes a portfolio of 33 well-leased properties in 14 markets across eight states at a pricing of $100/sf, According to Green Street's October 8, 2024 Real Estate Alert.

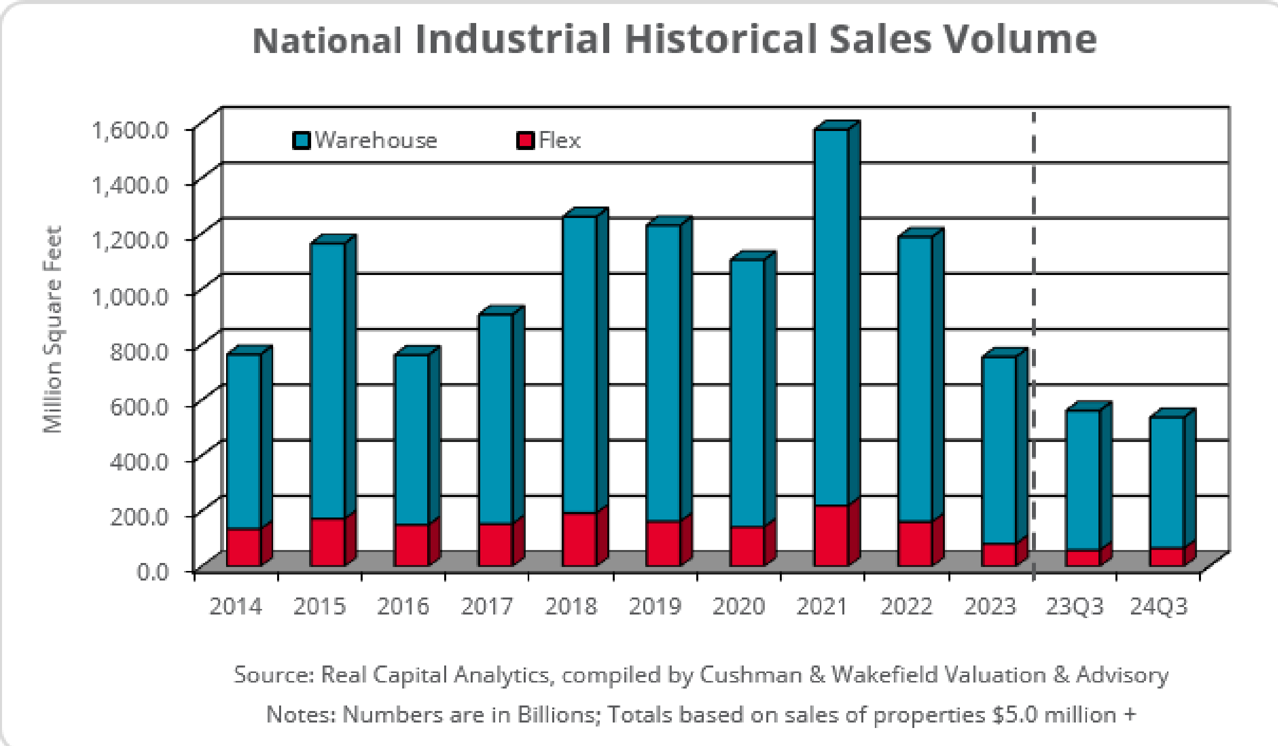
The following table presents the notable Portfolio Sale Transactions in the U.S. Industrial Market in 2024 Year-to-Date:

United States Industrial Market
Notable Portfolio Sale Transactions
2024 Year-To-Date

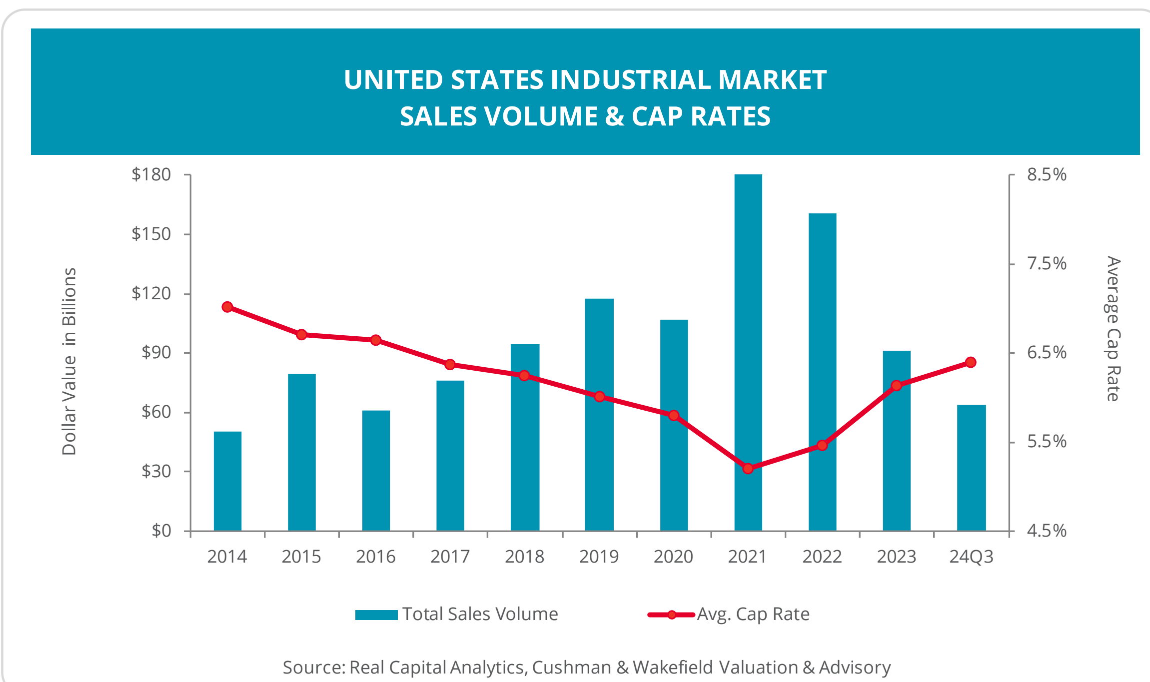
Buyer	Seller	Location	# Props	Price ($Mil.)
Brookfield AM	DRA	Multiple Locations	128	$1,300.0
Rexford Industrial REIT	Blackstone	California	48	$1,000.0
EQT Exeter	Prologis	Minnesota	24	$451.7
LBA Realty	Blackstone (Link Logistics)	Multiple Locations	5	$376.0
Terreno Realty Corp.	Blackstone	New York/New Jersey	18	$364.5
Hampshire Cos.; TA Realty	Blackstone Group Inc.	Fairfield, NJ	25	$300.0
CenterPoint Properties	JP Morgan Asset Management	Multiple Locations	4	$196.5
Ambient Capital Partners	Undisclosed	New Jersey	6	$156.3
EQT Exeter	Artis REIT	Arizona	3	$151.7
Raith Capital Partners	Brookfield AM	Multiple Locations	9	$145.0
EQT Exeter	Blackstone Real Estate	Arizona	6	$143.2
Equus Capital Parters	Investcorp JV Dalfen Industrial	Multple Locations	9	$124.0
DRA Advisors	Blackstone (Link Logistics)	Texas	8	$120.0
Terreno Realty Corp.	Blackstone (Link Logistics)	California	5	$118.5

Source: Green Street Sales Data Base, MSCI Real Capital Analytics; compiled by Cushman & Wakefield Valuation & Advisory

The following graph presents national industrial historical sales volume in square footage on an annual basis as surveyed by RCA from 2014 through third quarter 2024:



The following graph presents national industrial historical dollar-value sales volume and average capitalization rates as reported by RCA from 2014 through third quarter 2024:

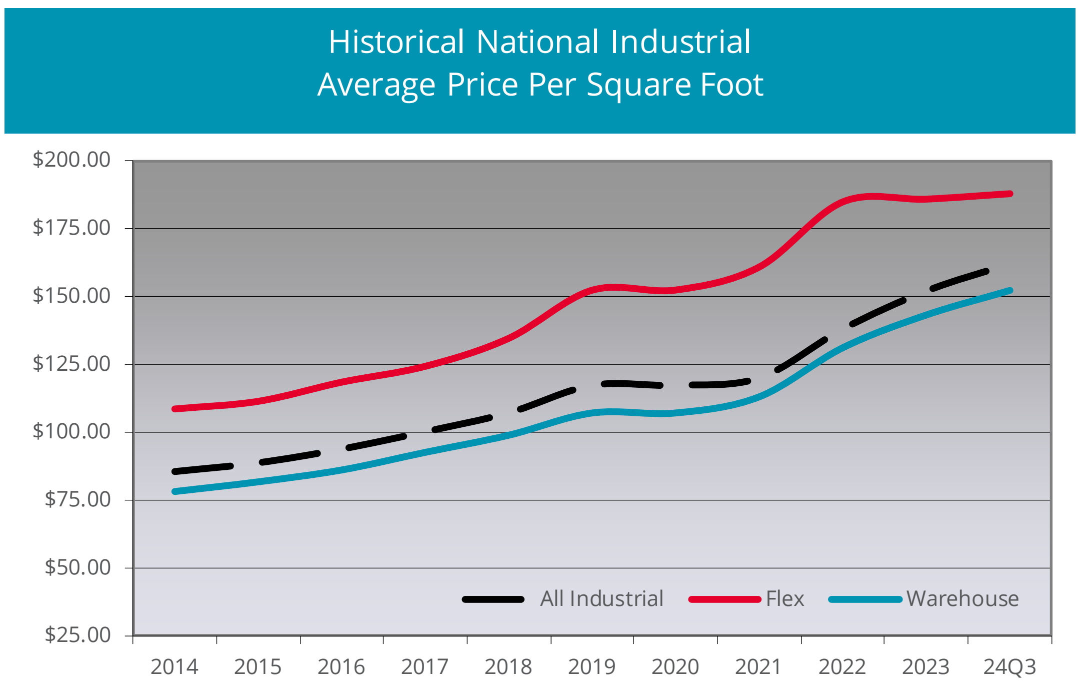


Average Sales Price Per square foot

Although disparities remain between the industrial subtypes, average prices of market assets are being pressured higher. At the close of 2023 the average sales price for all industrial properties was $152.00 per square foot, increasing $14 over 2022. As of third quarter 2024, prices measured $162.00 per square foot, increasing $10 per square feet year-over-year.

In terms of industrial subtypes, the third quarter 2024 average sales price for flex properties was $189 per square foot, while the sale price of warehouse facilities averaged $152 per square foot.

The following graph reflects the national industrial historical average price per square foot trends as surveyed by RCA:



Source: Real Capital Analytics, Cushman & Wakefield Valuation & Advisory

Notes: Totals based on sales of properties $5.0 million +

Interest Rate Environment Overview

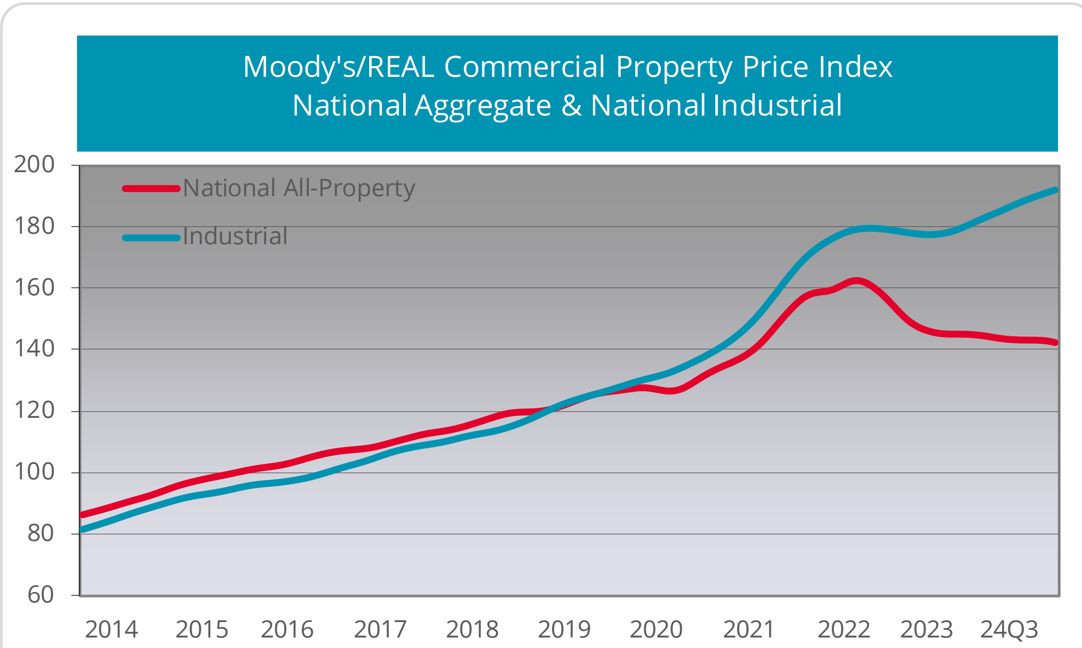
In July 2023, the Federal Reserve increased rates another 0.25%, taking the central bank's benchmark lending rate to range from 5.25% to 5.50% (the highest rate since August 2007). According to the Federal Reserve, "inflation is no longer considered a transitionary result of the COVID-19 pandemic". The Federal Reserve expects higher interest rates to remain in place until prices decrease. Despite signs of inflation having peaked, it remains higher than the Federal Reserve's 2% target. Measuring 3% in June 2024, inflation has fallen sharply over the past few years (down from its peak of 9.1% in June 2022). The Federal Reserve held interest rates steady at its regularly scheduled two-day meeting in July, marking the fifth consecutive meeting with no change in interest rates. However, in Fed's lowered interest rates by 50 basis points in September 2024. The lowers the interest rate target to a range of 4.75% to 5%.

Moody's/Real Commercial Property Index

The Moody's/REAL Commercial Property Index (CPPI) is a periodic same price change index of U.S. commercial investment properties. Developed by MIT's Center for Real Estate in conjunction with a consortium of firms including RCA and Real Estate Analytic, LLC (REAL), the index tracks price changes based on documented prices in completed, contemporary property transactions.

The national aggregate index of all property types measured 142.41 in September 2024, decreasing 1.9% remaining unchanged year-over-year. This current rate is down 0.3% from the prior month. As of September 2024, the warehouse index measured 192.18, increasing 6.7% year-over-year.

The following graph displays the Monthly CPPI Index from January 2014 to September 2024:



Source: Moody's/RCA CPPI; *Updated October 2024, Data through September 2024

National Industrial Market Summary

The industrial sector remains strong, with vacancies remaining below historical levels and a healthy demand for well-located, high quality logistics facilities remains. Strong fundamentals are expected to remain so over the long-term; however, persistent macroeconomic headwinds continue to create economic volatility impacting the commercial real estate market.

The following details our observations regarding prospects for the U.S. Industrial Market:

- Vacancy rates are expected to edge higher into the first half of next year, albeit at a slower pace. Vacancy is projected to peak at 6.7% midway through 2025 and will begin tightening in the second half of 2025. Absorption levels are expected to increase from 100 million square feet in 2024 to over 200 million square feet in 2025, and more than 260 million square feet in 2026.

- New supply will close out the year around 380 million square feet, as tracked by Cushman & Wakefield. The thinning pipeline and continued positive net absorption, the industrial market is poised to tighten in the second half of next year. E-commerce growth remains a tailwind, as does onshoring and nearshoring. Additionally, resilient consumers continue to strengthen fundamentals.
- Asking rent growth are moderating to more sustainable levels, with annual rent growth projected to finish the year at approximately 3% year-over-year. Rents are expected to trend higher thereafter into the mid-single digits over the next two years, amid strengthening fundamentals.
- Despite increased imports, industrial markets near ports are cooling with rising vacancies and moderating absorption levels, due to excess space leased during the pandemic. Many occupiers have shed excess space leased during the height of the pandemic as consumer demand has shifted away from non-durable goods to more experiential purchases. Retailers have shifted to leaner inventory strategies, that exerts downward pressure on industrial demand, leading to rising vacancy rates nationwide since 2022.
- Industrial real estate markets near ports are expected to soften further in the near term, with a potential rebound expected in 2025.
- Value-add projects with shorter weighted average lease terms, ideally close to 3 years or less, are on investors radar. The ability to quickly achieve mark to market rents upon rollover and yield growth, escaping the negative spread to current financing options are the sweet spot for market activity. Nonetheless, credit and term and continue to be the drivers, and cash buyers have the competitive edge in today’s environment.
- Acquisitions are moving forward, and the deal flow/interest has significantly increased year-to-date, as the buyers are back in the market. Both buyers and sellers have become more realistic with their pricing expectations, as the “bid/ask” differential continues to narrow.
- Industrial fundamentals are expected to remain solid throughout 2024 and into 2025, with continued rent growth, albeit at a more normalized. Nonetheless, investors are closely monitoring the interest rate environment and fluctuations in 10-Year Treasuries regarding their pricing strategies. The recent reduction in 10-year treasuries coupled with reduced inventory has stimulated investor activity.
- Most investors are foreseeing additional interest rate reductions, thus reducing overall capitalization rates in the 25-bps range. Overall capitalization rates have in fact subsided since the 10-year treasury peaked at around 5.0 percent in October 2023.
- Logistics, food and beverage, cold storage, Bio Tech/Pharmaceutical and Data Center assets are the preferred asset classes. However, e-commerce is clearly driving the demand as online shopping continues, especially with the infusion of artificial intelligence driving the supply-chain efficiencies.
- With a strong infrastructure in place in most U.S. markets, vacancy rates still at historical lows, the continued push for onshoring and the availability of natural resources, the long-term investment outlook for the national industrial market is positive.

Overview

Santa Rosa Industrial

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
157K	(16.7K)	6.9%	0.2%

The Santa Rosa industrial submarket has a vacancy rate of 7.0% as of the fourth quarter of 2024. Over the past year, the submarket's vacancy rate has changed by 1.3%, a result of 160,000 SF of net delivered space and -17,000 SF of net absorption.

Santa Rosa's vacancy rate of 7.0% compares to the submarket's five-year average of 4.8% and the 10-year average of 4.8%.

The Santa Rosa industrial submarket has roughly 860,000 SF of space listed as available, for an availability rate of 7.1%. As of the fourth quarter of 2024, there is no industrial space under construction in Santa Rosa. In comparison, the submarket has averaged 100,000 SF of under construction inventory over the past 10 years.

The Santa Rosa industrial submarket contains roughly 12.2 million SF of inventory. The submarket has approximately 6.9 million SF of logistics inventory, 2.5 million SF of flex inventory, and 2.9 million SF of specialized inventory.

Market rents in Santa Rosa are $16.10/SF. Rents average around $15.40/SF for logistics buildings, $17.30/SF for flex properties, and $17.00/SF for specialized assets.

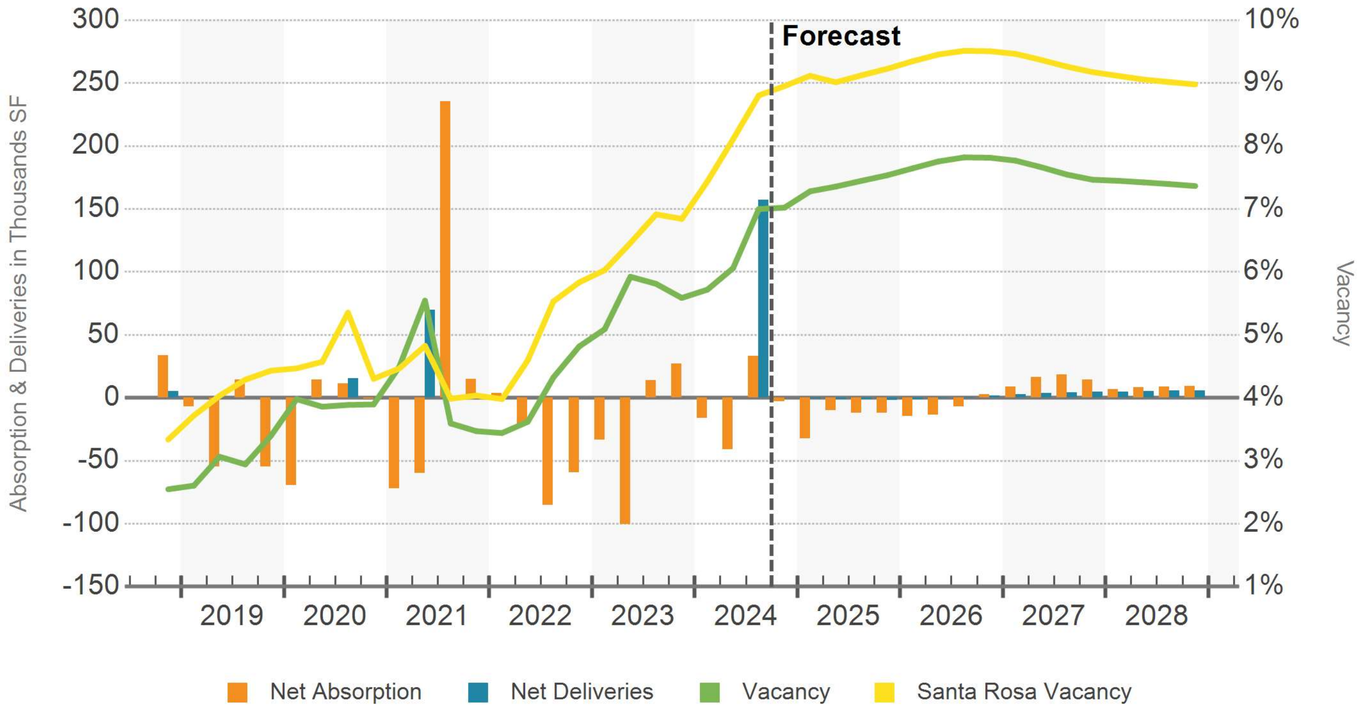
Rents have changed by 0.2% year over year in Santa Rosa, compared to a change of 0.3% market wide. Market rents have changed by 0.5% in logistics buildings year over year, -0.3% in flex buildings, and 0.0% in specialized buildings. Annual rent growth of 0.2% in Santa Rosa compares to the submarket's five-year average of 4.4% and its 10-year average of 5.3%.

KEY INDICATORS

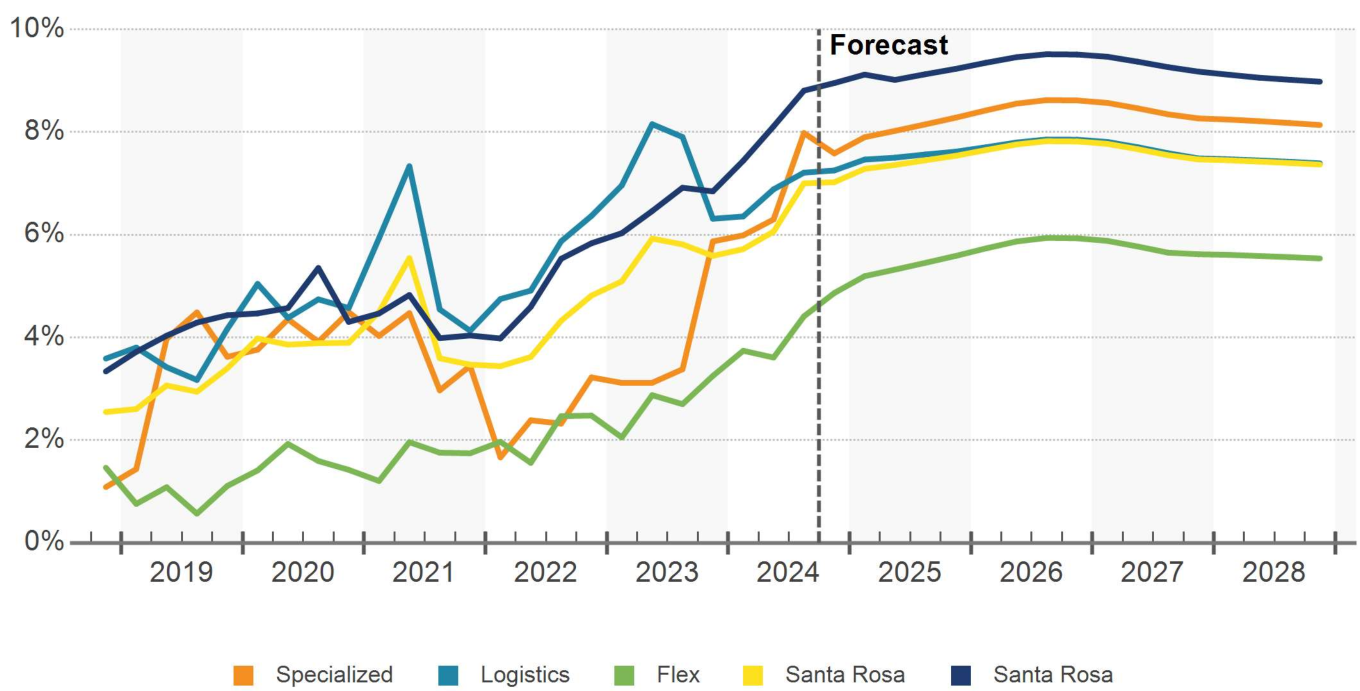
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	6,888,297	7.3%	$15.37	7.3%	(4,786)	0	0
Specialized Industrial	2,852,198	7.5%	$17.02	7.8%	14,295	0	0
Flex	2,461,998	5.0%	$17.31	4.5%	(14,338)	0	0
Submarket	**12,202,493**	**6.9%**	**$16.14**	**6.9%**	**(4,829)**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	1.3% (YOY)	6.5%	7.3%	10.9%	2010 Q3	2.3%	2018 Q2
Net Absorption SF	(16.7K)	27,855	3,843	449,000	2016 Q3	(364,566)	2009 Q2
Deliveries SF	157K	26,993	37,263	157,295	2024 Q3	0	2024 Q2
Market Asking Rent Growth	0.2%	3.2%	2.4%	7.1%	2018 Q1	-3.8%	2009 Q4
Sales Volume	$33.9M	$44.8M	N/A	$166.8M	2022 Q3	$3.8M	2010 Q1

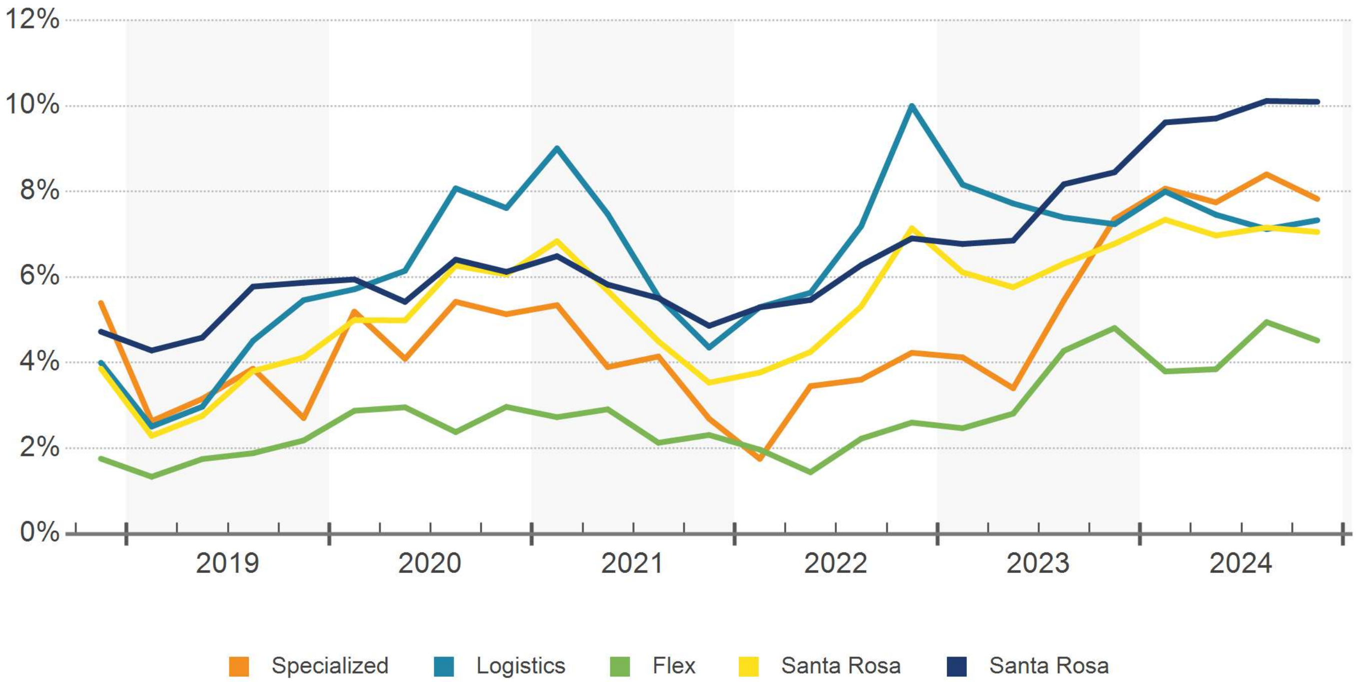
NET ABSORPTION, NET DELIVERIES & VACANCY



VACANCY RATE



AVAILABILITY RATE



4 & 5 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
201 Business Park Dr	★★★★☆	69,550	1	26,332	22.7%	26,332

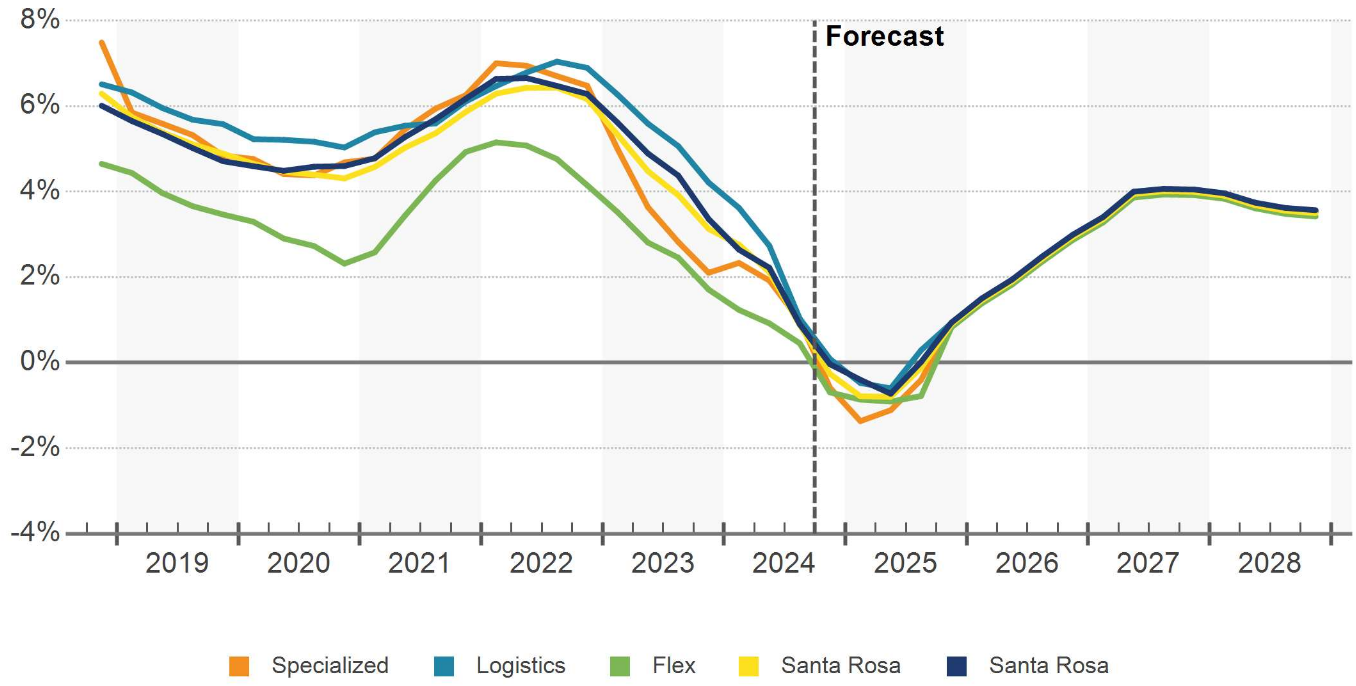
3 STAR MOST ACTIVE BUILDINGS IN SUBMARKET - PAST 12 MONTHS

Property Name/Address	Rating	RBA	Deals	Leased SF	12 Mo Vacancy	12 Mo Net Absorp SF
915-921 Piner Rd	★★★☆☆	86,084	1	16,704	19.5%	9,987
3510 Airway Dr	★★★☆☆	7,635	1	7,635	20.0%	4,149
1350 Central Ave	★★★☆☆	12,781	1	2,113	3.3%	0
Bldg 1 258 Sutton Pl	★★★☆☆	49,873	1	20,747	0%	0
1042 Hopper Ave	★★★☆☆	13,579	1	528	90.8%	(2,051)
3222 Airway Dr	★★★☆☆	15,508	3	3,200	9.8%	(2,140)
Stemken Business Park 3200 Dutton Ave	★★★☆☆	15,000	3	3,000	11.7%	(5,400)
572 Martin Ave	★★★☆☆	10,450	1	3,775	34.4%	(9,000)

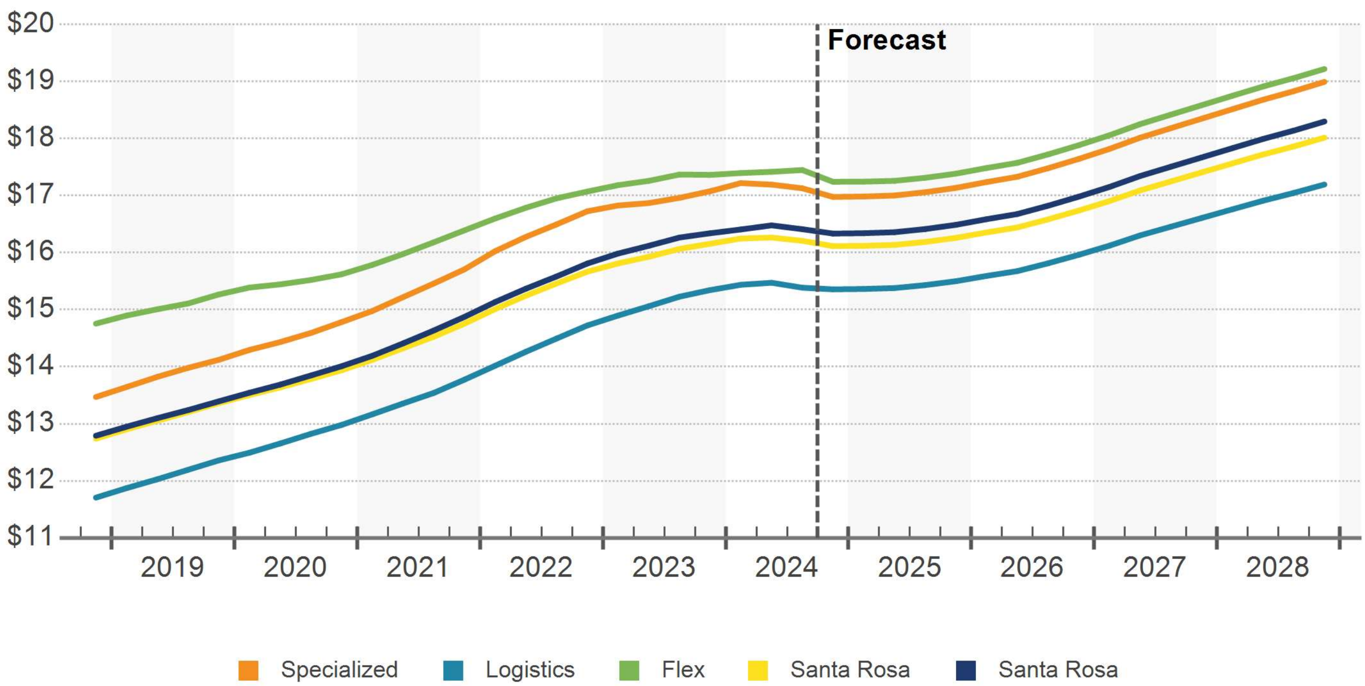
Rent

Santa Rosa Industrial

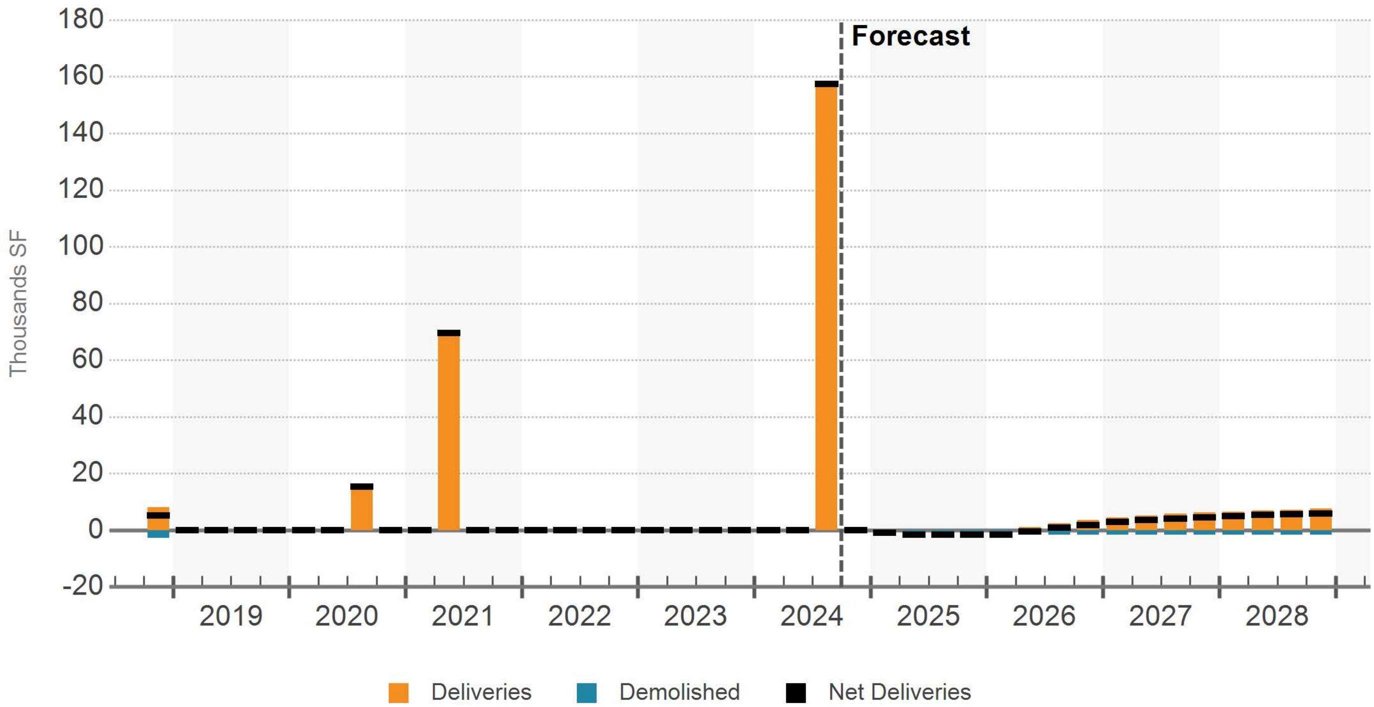
MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET

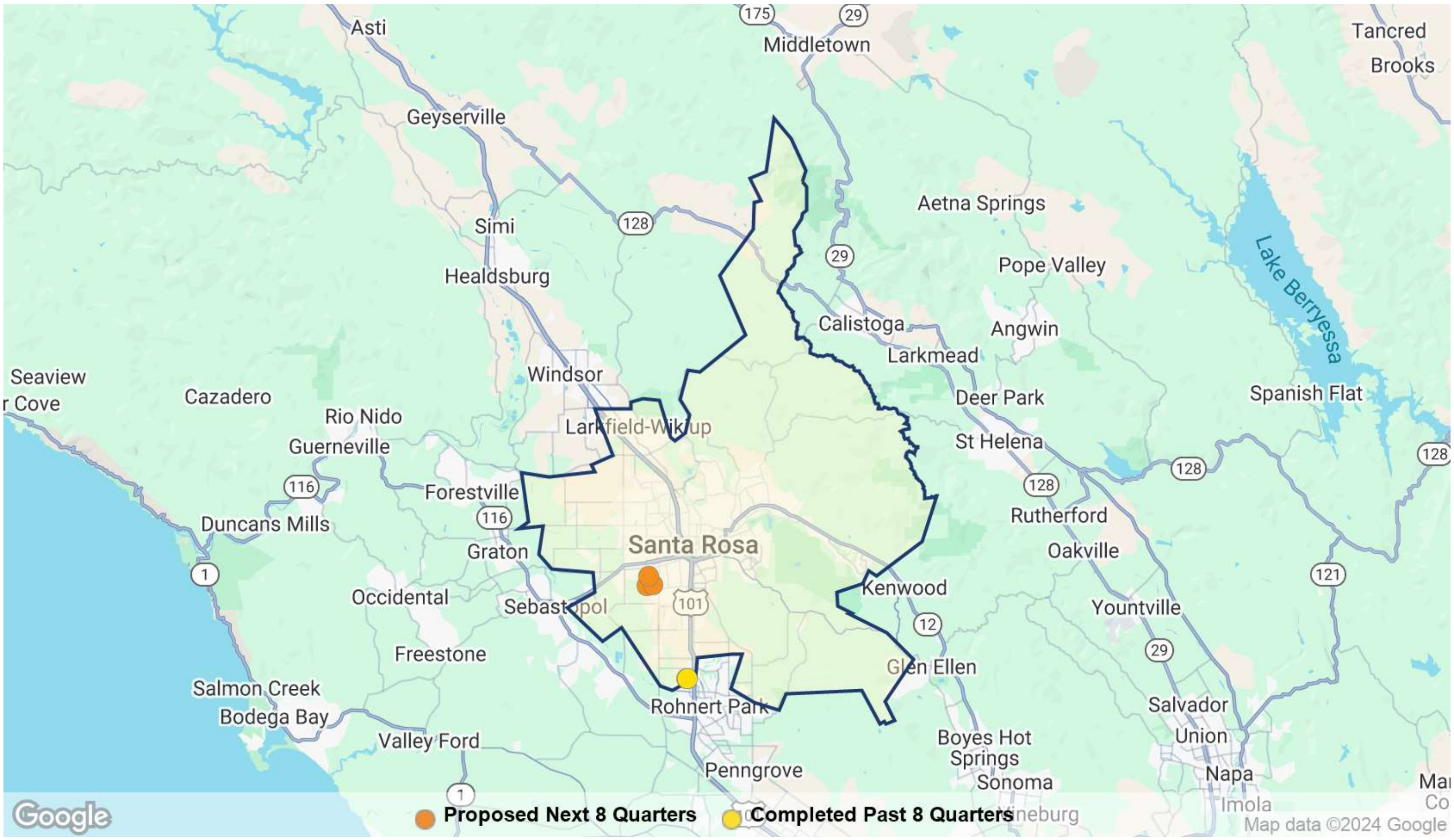


DELIVERIES & DEMOLITIONS

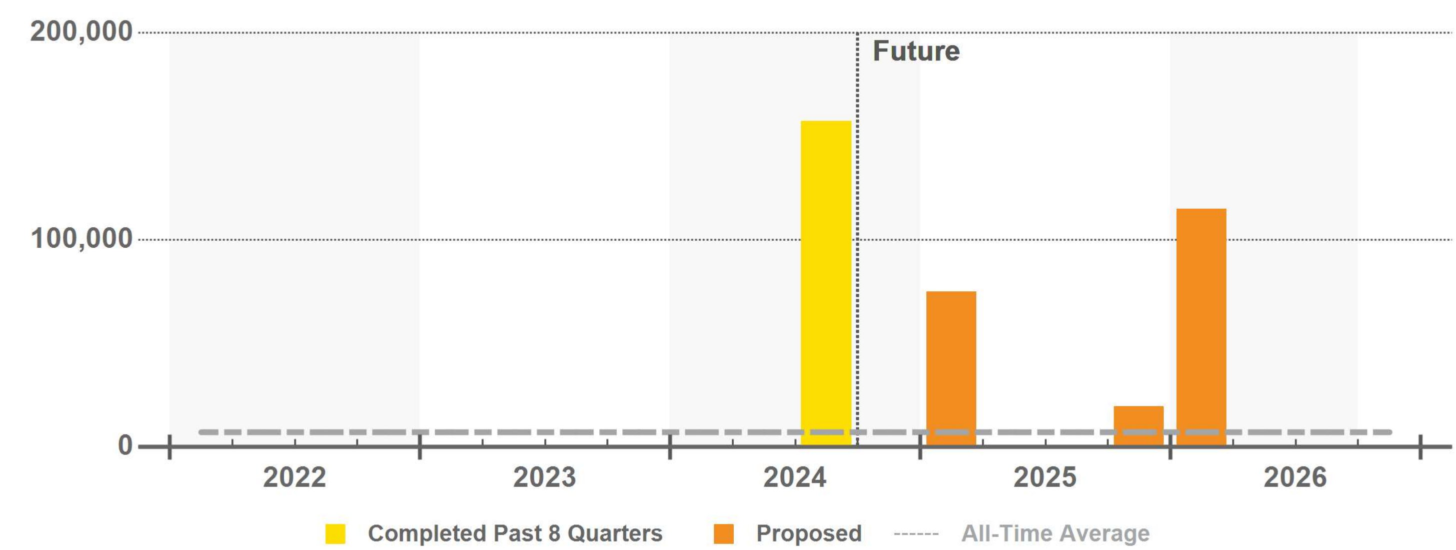


All-Time Annual Avg. Square Feet	Delivered Square Feet Past 8 Qtrs	Delivered Square Feet Next 8 Qtrs	Proposed Square Feet Next 8 Qtrs
28,844	157,295	0	209,455

PAST 8 QUARTERS DELIVERIES, UNDER CONSTRUCTION, & PROPOSED



PAST & FUTURE DELIVERIES IN SQUARE FEET



RECENT DELIVERIES

	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	A 5000 Dowdell Ave	★★★★☆	89,896	1	Nov 2022	Aug 2024	Panattoni -
2	B 5000 Dowdell Ave	★★★☆☆	67,399	1	Nov 2022	Aug 2024	Panattoni -

PROPOSED

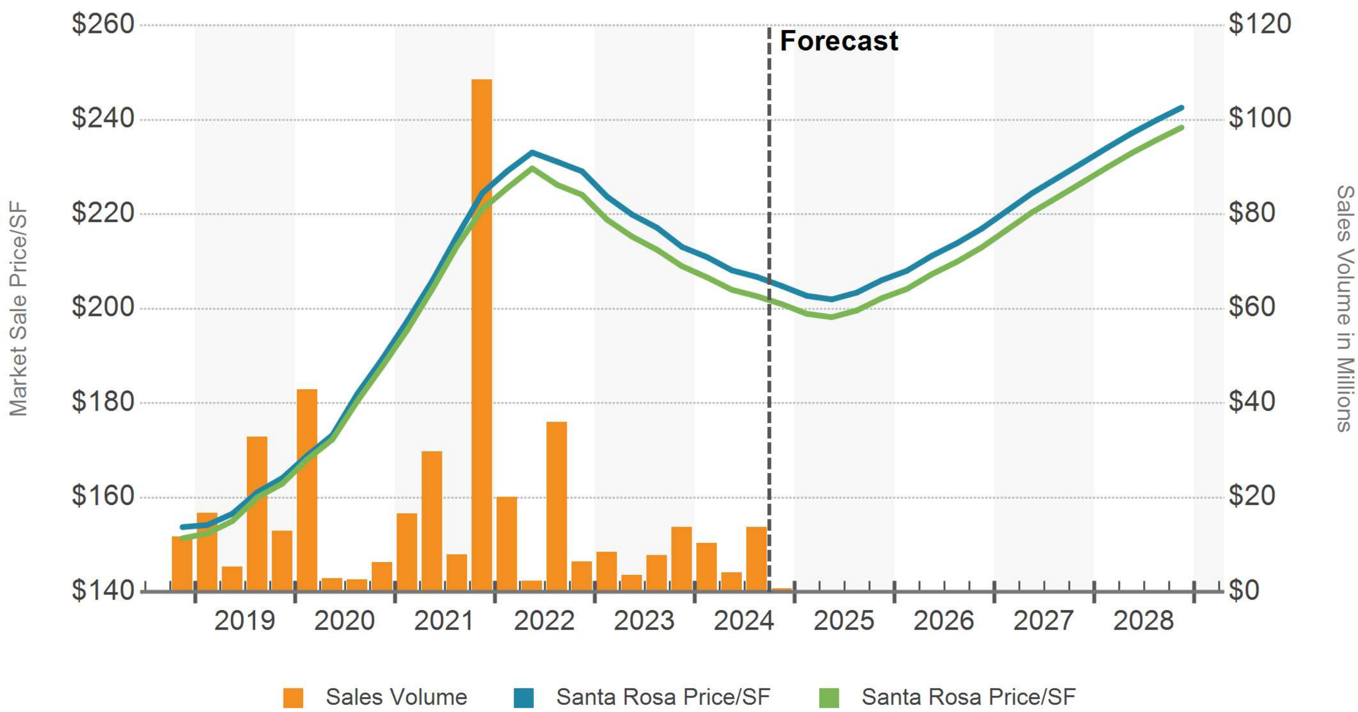
	Property Name/Address	Rating	Bldg SF	Stories	Start	Complete	Developer/Owner
1	Northpoint Commerce C... 1408 Thunderbolt Way	★★★★☆	114,884	1	Mar 2025	Jan 2026	- -
2	Heritage Commerce Center Northpoint Pky	★★★☆☆	74,960	1	Jan 2025	Jan 2025	- -
3	The Center for Food, Yo... 1237 Apollo Way	★★★★☆	19,611	1	Nov 2024	Dec 2025	- Ceres Community Project

Sales

Over the past year, 170,000 SF of industrial inventory traded in Santa Rosa across 17 sales. Average annual inventory turnover in Santa Rosa is 85,000 SF over the past five years and 120,000 SF over the past 10 years. Industrial sales volume in Santa Rosa has totaled $35.3 million over the past year. Average annual sales volume over the past five years is $72.8 million and $61.4 million over the past 10 years.

Estimated industrial market pricing in Santa Rosa is $206/SF compared to the market average of $202/SF. Average market pricing for Santa Rosa is estimated at $197/SF for logistics properties, $230/SF for flex assets, and $200/SF for specialized buildings. The estimated market cap rate for Santa Rosa industrial is 7.2% compared to the market average of 7.1%.

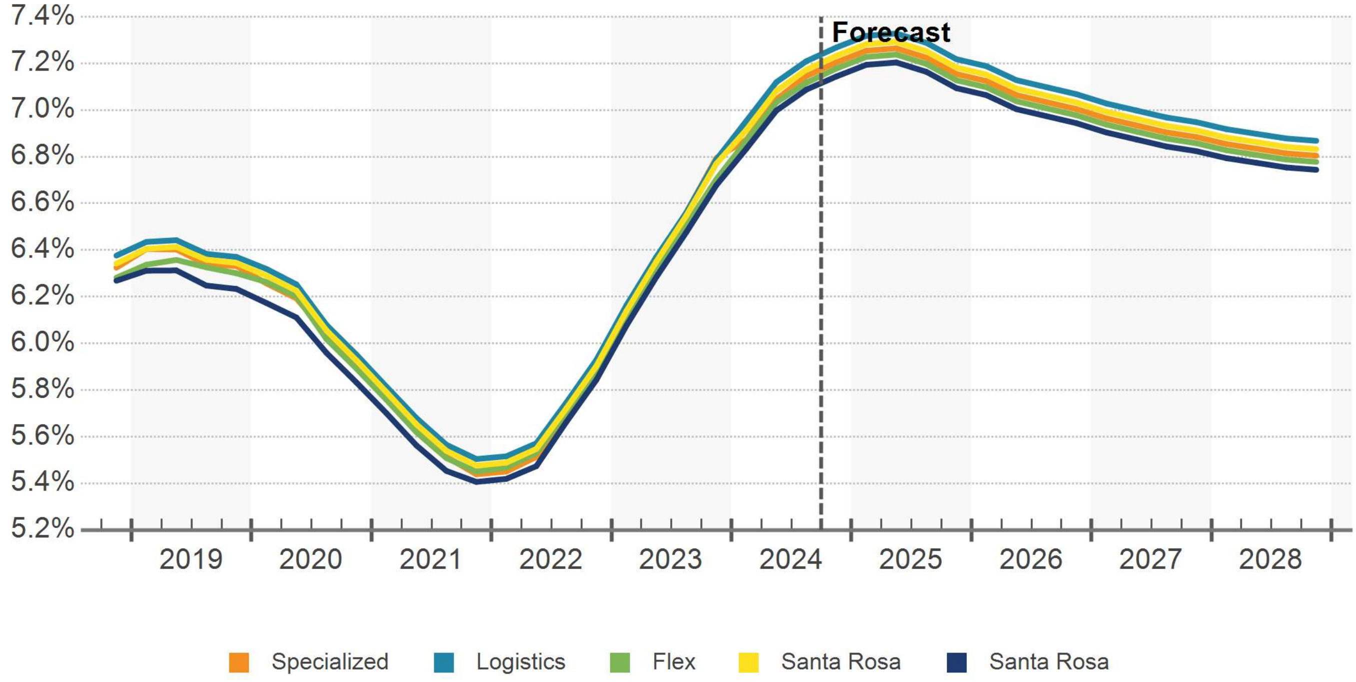
SALES VOLUME & MARKET SALE PRICE PER SF



CUSHMAN & WAKEFIELD

CoStar™

MARKET CAP RATE

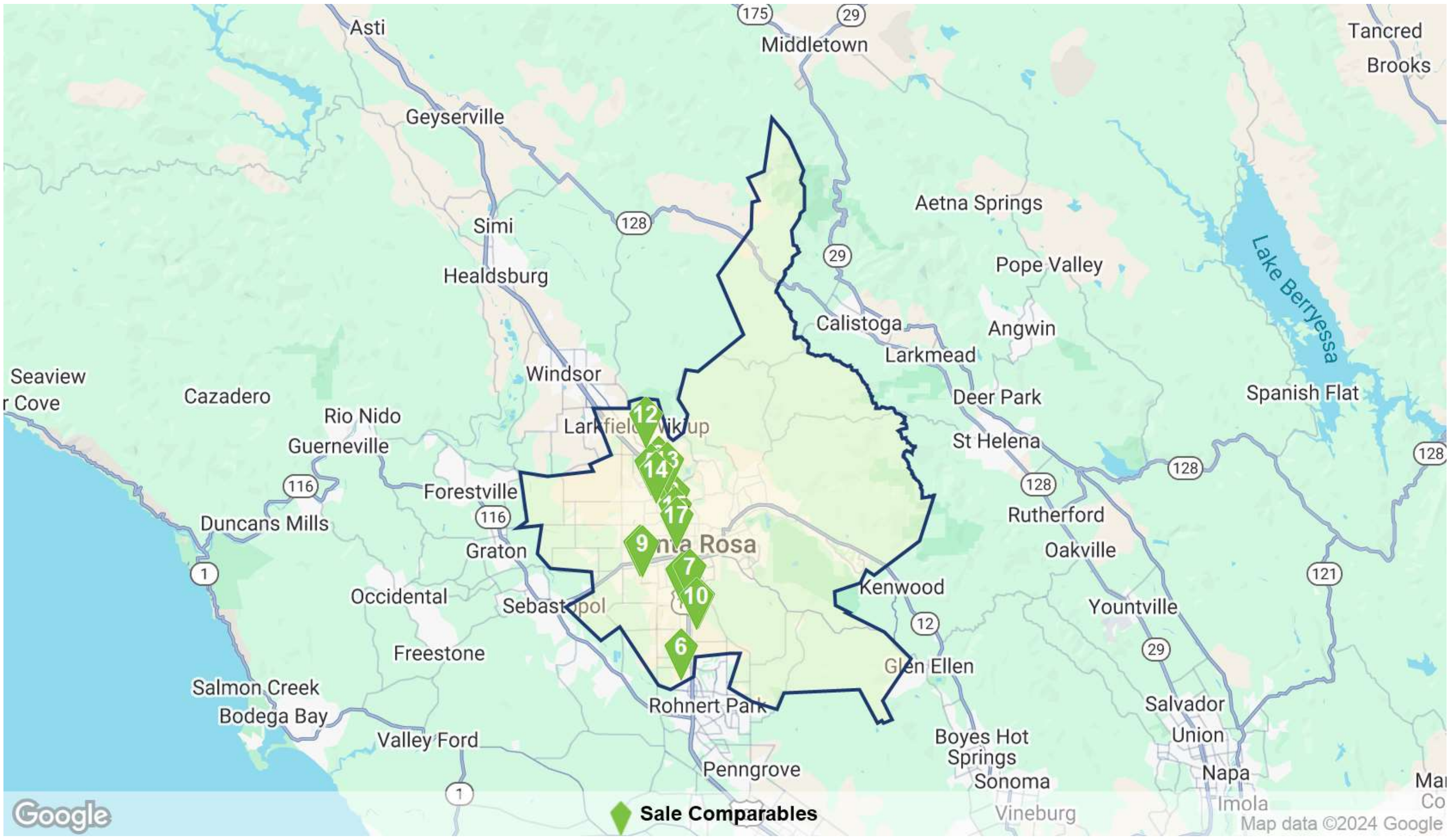


Sales Past 12 Months

Santa Rosa Industrial

Sale Comparables	Avg. Cap Rate	Avg. Price/SF	Avg. Vacancy At Sale
17	**5.8%**	**$222**	**4.3%**

SALE COMPARABLE LOCATIONS



SALE COMPARABLES SUMMARY STATISTICS

Sales Attributes	Low	Average	Median	High
Sale Price	$600,000	$2,260,903	$1,895,000	$6,855,000
Price/SF	$110	$222	$234	$647
Cap Rate	5.6%	5.8%	5.8%	6.0%
Time Since Sale in Months	0.6	6.8	7.7	11.2
Property Attributes	**Low**	**Average**	**Median**	**High**
Building SF	2,618	9,368	6,400	32,020
Ceiling Height	13'	17'10"	18'	24'
Docks	0	0	0	4
Vacancy Rate At Sale	0%	4.3%	0%	100%
Year Built	1960	1984	1984	2018
Star Rating	★☆☆☆☆	★☆☆☆☆ 1.8	★★☆☆☆	★★★☆☆

Property Analysis

Site Description

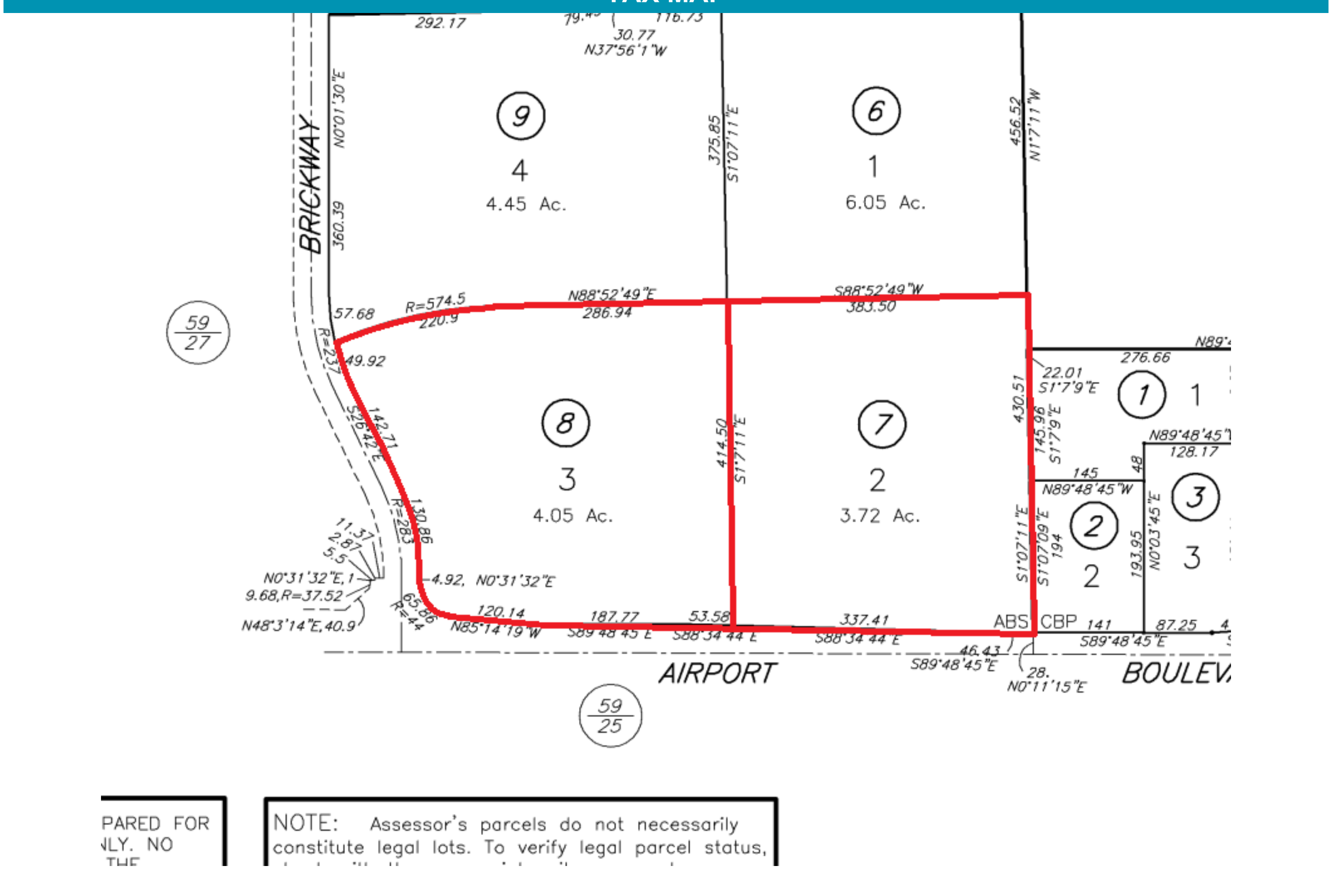
GENERAL	
Location:	3850 and 3880 Brickway Boulevard Santa Rosa, Sonoma County, CA 95403 The subject property is located on the northeastern corner of Brickway Boulevard and Airport Boulevard in the Schulz Airport neighborhood of Santa Rosa, California.
Shape:	Irregularly shaped
Topography:	Level at street grade
Land Area:	7.77 acres / 338,461 square feet
Access, Visibility and Frontage:	The subject property has excellent access and good visibility. The frontage is rated as good. The frontage dimensions are listed below: Brickway Boulevard: 389 feet Airport Boulevard: 698 feet
Utilities:	All public utilities are available and deemed adequate.
Site Improvements:	Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
SITE CONDITIONS	
Soil Conditions:	We were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
Land Use Restrictions:	We reviewed a title report prepared by First American title team dated October 7, 2024. There do not appear to be any easements, encroachments, or restrictions that would adversely affect the site's use. A copy is included in the Addenda of this report.
Wetlands:	We were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
Hazardous Substances:	We observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.

Flood Zone Description:	The subject property is located in flood zone AE (Special flood hazard areas subject to inundation by the 100-year flood determined in a Flood Insurance Study by detailed methods. Base flood elevations are shown within these zones. **Mandatory flood insurance purchase requirements apply**) as indicated by FEMA Map 06097C0568F, dated July 31, 2024. The flood zone determination and other related data are provided by a third-party vendor deemed to be reliable. If further details are required, additional research is required that is beyond the scope of this analysis.
Earthquake Zone/Seismic Hazard:	The site is not located in a Special Study Zone as established by California's Alquist-Priolo Geological Hazards Act, nor is it within 1,000 feet of an Alquist-Priolo earthquake zone. According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. However, no active faults are known to exist on the subject property. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

CONCLUSIONS

Overall Site Utility:	The subject site is functional for its current use.
Location Rating:	Average

TAX MAP



Improvements Description

GENERAL DESCRIPTION	
Property Type:	Office/R&D
Year Built:	2000
Building Construction Class:	B
Number of Buildings:	2
Number of Stories:	2
Land to Building Ratio:	2.66 to 1
Gross Building Area:	127,200 square feet
Net Rentable Area:	126,585 square feet
Maximum Floorplate:	31,945 square feet
CONSTRUCTION DETAIL	
Basic Construction:	Concrete Tilt-Up
Foundation:	Poured concrete slab
Framing:	Steel frame
Floors:	Concrete poured over a metal deck
Exterior Walls:	Masonry
Roof Type:	Flat with parapet walls
Roof Cover:	Sealed membrane
Windows:	Thermal windows in aluminum frames
Pedestrian Doors:	Glass and metal
MECHANICAL DETAIL	
HVAC:	Forced Air
Plumbing:	The plumbing system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical Service:	The electrical system is assumed to be adequate for the existing use and in compliance with local law and building codes.
Electrical Metering:	The building has a master meter.
Emergency Power:	The building has a back-up generator.
Elevator Service:	The building contains 2 passenger elevators.

Fire Protection:	100 percent sprinklered
Security:	Exterior and interior monitors
INTERIOR DETAIL	
Tenant Build-Out:	The building is improved with typical office/R&D build-out that meets market standards for comparable space.
Floor Covering:	Carpet & Tile
Walls:	Drywall
Ceilings:	Exposed
Lighting:	Fluorescent
Restrooms:	The property features adequate restrooms for men and women.
OTHER IMPROVEMENTS	
Parking:	The property contains approximately 246 surface parking spaces, reflecting an overall parking ratio of 1.94 spaces per 1,000 square feet of net rentable area. The parking spaces are asphalt-paved and striped, and adequately support the existing users.
On-Site Landscaping:	The site is landscaped with a variety of trees, shrubbery and grass.
Other:	Site improvements include asphalt paved parking areas, curbing, signage, landscaping, yard lighting and drainage.
Personal Property:	Personal property was excluded from our valuation.
ANALYSIS AND CONCLUSIONS	
Condition:	Good
Quality:	Good
Actual Age:	24 years
Effective Age:	15 years - The subject’s improvements (both short and long-lived items) are of good quality and in good condition. Thus, the effective age is estimated to be below the actual age.
Expected Economic Life:	60 years - In estimating expected economic life we considered life expectancy estimates published by Marshall Valuation Services as well as our observations regarding useful lives of similar buildings in the market.
Remaining Economic Life:	45 years
Roof & Mechanical Inspections:	We did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.

Curable Physical Deterioration:	We have not been provided with a capital expenditure plan or an engineering report that would identify specific costs required to repair deficiencies at the subject property. During our inspection, we did not notice any apparent physical deterioration that would require immediate repair.
Functional Obsolescence:	There is no apparent functional obsolescence present at the subject property.
Summary:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.

Real Property Taxes and Assessments

Current Property Taxes

The subject property is located in the taxing jurisdiction of Sonoma County, and the assessor's parcel identification numbers are 059-360-007-000 & 059-360-008-000. According to the local tax collector's office, taxes are current.

The assessment and taxes for the property are presented in the following table:

CALIFORNIA ASSESSMENT AND TAX ANALYSIS			
Assessor's Parcel Number:	059-360-007-000	059-360-008-000	Total
Assessing Authority:	Sonoma County	Sonoma County	Sonoma County
Current Tax Year:	2024/2025	2024/2025	2024/2025
Are taxes current?	Yes	Yes	Taxes are current
Is there a grievance underway?			Not to our knowledge
ASSESSMENT INFORMATION			
			2024/2025
Assessed Value			
Land:	$2,187,291	$2,187,291	$4,374,582
Improvements:	15,037,633	15,037,633	30,075,266
Total:	$17,224,924	$17,224,924	$34,449,848
TAX LIABILITY			
Taxable Assessment			$34,449,848
Tax Rate			1.0%
Ad-Valorem Taxes			$344,498
Special Assessments			$96,306
Total Property Taxes			$440,804
Building Area (SF)			126,585
Property Taxes per Square Foot			$3.48

Compiled by Cushman & Wakefield Western, Inc.

Total taxes for the property are $440,804, or $3.48 per square foot.

Under the provisions of Article XIIIA of the California Tax and Revenue Code (Proposition 13), properties are assessed their market value as of March 1, 1975, the base year lien date, or a later date, such as when a property was last sold or substantial renovation/construction occurred. Under Proposition 13 the base tax rate is limited to 1.0 percent plus any additional increase subject to a two-thirds voter approval (55% approval in the case of educational districts). Because of the required voter approval ratio, the tax rate is usually stable.

The assessed value may be increased for inflation a maximum of 2.0 percent per year until the property is again sold, substantial new construction occurs, or the property's use changes significantly.

Reassessment due to new construction is usually based on the additional construction costs. Should the property sell, it would be reassessed according to the Assessor's opinion of market value. Generally, market value for reassessment after transfer of ownership is based on the sale price.

Thus, assessed value typically only relates to market value as of a particular sale date. As a result, comparison of assessed value with other properties in the market is not material to this analysis. Therefore, tax comparables are not pertinent and not included herein.

This analysis assumes taxes are current to the date of value. The tax amount used in the analysis assumes taxes based on a market sale as of the appraisal date (assessed at the estimated market value of the property and based on the current tax rate) plus any special assessments.

Zoning

General Information

The property is zoned MP - Industrial Park by the City of Santa Rosa. A summary of the subject's zoning is provided in the following table:

ZONING	
Municipality Governing Zoning:	City of Santa Rosa
Current Zoning:	MP - Industrial Park
Current Use:	Office/R&D
Is Current Use Permitted?	Yes
Permitted Uses:	Permitted uses within this district include beekeeping, lab space, light & medium manufacturing, warehouses, theaters, restaurant, business support, professional office, and public utility facilities
Prohibited Uses:	Prohibited uses within this district include residential and commercial uses

ZONING REQUIREMENTS	CODE	SUBJECT COMPLIANCE
Minimum Lot Area:	1.5 acres	Conforming
Maximum Building Height:	65 feet	Conforming
Maximum Floor Area Ratio (FAR):	None Noted	Not Applicable
Maximum Lot Coverage (% of Lot Area):	50.0%	Conforming
Minimum Yard Setbacks:		
Front (Feet):	Per Airport Industrial Specific Plan	Conforming
Rear (Feet):	10	Conforming
Side (Feet):	Per Airport Industrial Specific Plan	Conforming
Required On-Site Parking:		
Spaces per 1,000 Square Feet:	2.0 per 1,000	Conforming

Compiled by Cushman & Wakefield Western, Inc.

Other Restrictions

We know of no deed restrictions, private or public, that further limit the subject property's use. The research required to determine whether or not such restrictions exist is beyond the scope of this appraisal assignment. Deed restrictions are a legal matter and only a title examination by an attorney or title company can usually uncover such restrictive covenants. We recommend a title examination to determine if any such restrictions exist.

Zoning Conclusions

We are not experts in the interpretation of complex zoning ordinances but based on our review of public information, the development on the subject property appears to be a conforming use.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our study correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. We note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

Valuation

Highest and Best Use

To determine the highest and best use we typically evaluate the subject site under two scenarios: as though vacant land and as presently improved. In both cases, the property's highest and best use must meet the four criteria described as follows.

Highest and Best Use of Site as though Vacant

Legally Permissible

The zoning regulations in effect at the time of the appraisal determine the legal permissibility of a potential use of the subject site. As described in the Zoning section, the subject site is zoned MP - Industrial Park by the City of Santa Rosa. Permitted uses within this district include beekeeping, lab space, light & medium manufacturing, warehouses, theaters, restaurant, business support, professional office, and public utility facilities. We are not aware of any further legal restrictions that limit the potential uses of the subject. In addition, rezoning of the site is not likely due to the character of the area.

Physically Possible

The physical possibility of a use is dictated by the size, shape, topography, availability of utilities, and any other physical aspects of the site. The subject site contains 7.77 acres, or 338,461 square feet. The site is irregularly shaped and level at street grade. It has good frontage, excellent access, and good visibility. The overall utility of the site is considered to be good. All public utilities are available to the site. Overall, the site is considered adequate to accommodate most permitted development possibilities.

Financially Feasible and Maximally Productive

In order to be seriously considered, a use must have the potential to provide a sufficient return to attract investment capital over alternative forms of investment. A positive net income or acceptable rate of return would indicate that a use is financially feasible. Financially feasible uses are those uses that can generate a profit over and above the cost of acquiring the site, and constructing the improvements. Of the uses that are permitted, possible, and financially feasible, the one that will result in the maximum value for the property is considered the highest and best use.

Conclusion

We considered the legal issues related to zoning and legal restrictions. We also analyzed the physical characteristics of the site to determine what legal uses would be possible, and considered the financial feasibility of these uses to determine the use that is maximally productive. Considering the subject site's physical characteristics and location, as well as the state of the local market, it is our opinion that the Highest and Best Use of the subject site as though vacant is for development with an office r&d use built to its maximum feasible building area.

Highest and Best Use of Property as Improved

In analyzing the Highest and Best Use of a property as improved, it is recognized that the improvements should continue to be used until it is financially advantageous to alter physical elements of the structure or to demolish it and build a new one.

Legally Permissible

As described in the Zoning Analysis section of this report, the subject site is zoned MP - Industrial Park. The site is improved with an office use containing 127,200 square feet of gross building area. In the Zoning section of this appraisal, we determined that the existing improvements represent a conforming use. We also determined that the existing use is a permitted use in this zone.

Physically Possible

The subject improvements were constructed in 2000. The improvements are in good condition. We know of no current or pending municipal actions or covenants that would require a change to the current improvements.

Financially Feasible and Maximally Productive

In the Reconciliation section, we estimate an as-is market value for the subject property, as improved, of $32,300,000. In our opinion, the improvements contribute significantly to the value of the site. It is likely that no alternative use would result in a higher value.

Conclusion

It is our opinion that the existing improvements add value to the site as though vacant, dictating a continuation of its current use. In addition, the leases encumbering the subject property support a continuation of the current use. It is our opinion that the Highest and Best Use of the subject property as improved is an office r&d building as it is currently improved.

Most Likely Buyer

An examination of recent rental activity in the area suggests that there is demand for similar space in such properties by tenants within the market, and recent comparable sales indicate such properties are typically purchased by real estate investors. As a result, we conclude that the most likely purchaser of the subject is an investor, who would typically rely on the Income Approach to value the property.

Valuation Process

Methodology

There are three generally accepted approaches to developing an opinion of value: Cost, Sales Comparison and Income Capitalization. We considered each in this appraisal In appraisal practice, an approach to value is included or eliminated based on its applicability to the property type being valued and the quality of information available. The reliability of each approach depends on the availability and comparability of market data as well as the motivation and thinking of purchasers.

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, a final value opinion is concluded that either corresponds to one of the approaches or is a correlation of all the approaches used in the appraisal.

Based on a confidentiality agreement between the client, the tenant, and Cushman & Wakefield, we viewed documents pertaining to the lease in place and historical operating data of the subject property. These files are retained by the client. It has been agreed upon by the client that we will be provided access to these documents for review under any action or necessary inquiry regarding our services rendered.

Cost Approach

The Cost Approach is based on the proposition that an informed purchaser would pay no more for the subject than the cost to produce a substitute property with equivalent utility. This approach is particularly applicable when the property being appraised involves relatively new improvements which represent the Highest and Best Use of the land; or when relatively unique or specialized improvements are located on the site for which there are few improved sales or leases of comparable properties.

Sales Comparison Approach

In the Sales Comparison Approach, sales of comparable properties are adjusted for differences to estimate a value for the subject property. A unit of comparison such as price per square foot of building area is typically used to value the property. Adjustments are applied to the unit of comparison from an analysis of comparable sales, and the adjusted unit of comparison is then used to derive an opinion of value for the subject property.

Income Capitalization Approach

In the Income Capitalization Approach the income-producing capacity of a property is estimated by using contract rents on existing leases and by estimating market rent from rental activity at competing properties for the vacant and/or owner occupied space. Deductions are then made for vacancy and collection loss and operating expenses. The resulting net operating income is divided by an overall capitalization rate to derive an opinion of value for the subject property. The capitalization rate represents the relationship between net operating income and value. This method is referred to as Direct Capitalization.

Related to the Direct Capitalization Method is the Yield Capitalization Method. In this method periodic cash flows (which consist of net operating income less capital costs) and a reversionary value are developed and discounted to a present value using an internal rate of return that is determined by analyzing current investor yield requirements for similar investments.

Summary

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

Sales Comparison Approach

Methodology

Using the Sales Comparison Approach, we developed an opinion of value by comparing the subject property to similar, recently sold properties in the surrounding or competing area. This approach relies on the principle of substitution, which holds that when a property is replaceable in the market, its value tends to be set at the cost of acquiring an equally desirable substitute property, assuming that no costly delay is encountered in making the substitution.

By analyzing sales that qualify as arm's-length transactions between willing and knowledgeable buyers and sellers, we can identify value and price trends. The basic steps of this approach are:

- Research recent, relevant property sales and current offerings in the competitive area;
- Select and analyze properties that are similar to the subject property, analyzing changes in economic conditions that may have occurred between the sale date and the date of value, and other physical, functional, or locational factors;
- Identify sales that include favorable financing and calculate the cash equivalent price;
- Reduce the sale prices to a common unit of comparison such as price per square foot of net rentable area, effective gross income multiplier, or net income per square foot;
- Make appropriate comparative adjustments to the prices of the comparable properties to relate them to the subject property and
- Interpret the adjusted sales data and draw a logical value conclusion.

The most widely used and market-oriented unit of comparison for properties such as the subject is the sales price per square foot of net rentable area. All comparable sales were analyzed on this basis. The following pages contain a summary of the improved properties that we compared to the subject property, a map showing their locations, and the adjustment process.

Due to the nature of the subject property and the level of detail available for the comparable data, we elected to analyze the comparables through the application of a traditional adjustment grid using percentage adjustments. This methodology is commonly used by participants that buy and sell property similar to the subject property. Therefore, it is considered the appropriate methodology to use in this assignment.

In the Sales Comparison Approach we have first derived the value of the subject property's Prospective Market Value Upon Stabilization. From this value we have made deductions to account for the lease-up of the vacant space to arrive at an As-Is value.

Comparable improved sale data sheets are presented in the Addenda of this report.

SUMMARY OF IMPROVED SALES

PROPERTY INFORMATION									TRANSACTION INFORMATION								
No.	**Property Name Address, City, State**	**Land (SF)**	**Building NRA**	**Year Built**	**Year Ren.**	**Stories**	**Drive-In Doors**	**Clear Height**	**Grantor**	**Grantee**	**Sale Date**	**Sale Price**	**$/SF**	**NOI/SF**	**OAR**	**Occ.**	**Comments**
S	Subject Property	338,461	126,585	2000	N/A	2	0	13.7						$16.84		100%	
1	5500 East 2nd Street Benicia, CA	175,111	63,108	1987	-	2	3	22	Sam Sarkissian	Listing	Listing	$16,000,000	$253.53	-	-	0%	±63,108 square foot vacant Flex/R&D building located in Benicia. 1,600A power, backup power. ±17,039 lab space and cold rooms. The property has been on the market for over one year.
2	Canyon Corporate Park II 4600-4650 Norris Canyon Road San Ramon, CA	253,519	96,535	1984	2022	2	2	19.6	Norris Canyon Property Corp	Orion Ncr San Ramon Ca Llc	9/24	$34,600,000	$358.42	$17.99	5.02%	100%	Madison Marquette sold this 96,535 square foot R&D building to Orion Office REIT for $34.6 million, or $358.42 per square foot. The property was NNN leased to Valent USA at the time of sale, with 15.4 years remaining on their term. Recent capital improvements exceed $25M, or $256psf. Building features state of the art lab space with single-pass air flow, back-up power, interstitial HVAC, 2,000amp power, two -20C cold storage freezer rooms, and explosion-proof rooms. Credit tenant in place. Information about the transaction was verified by the broker. The cap rate has been estimated based on in-place NNN rent.
3	350 Cobalt Way Sunnyvale, CA	363,290	134,218	1978	2022	2		18.6	Fujitsu America, Inc.	SFF 350 Cobalt, LLC	1/23	$31,005,000	$231.00	-	-	100%	On 1/20/2023, Fujitsu America, Inc sold the 134,218 square foot office building at 350 Cobalt Way in Sunnyvale, CA. Fujitsu America, Inc will lease back the building on a short term basis (12mos). Information about the sale was confirmed by the broker and buyer.
4	Piercy Business Park 5970 Optical Ct. San Jose, CA	330,620	128,520	2002	-	2	2	15	G&I IX 5981 Optical LP	Peninsula Land & Capital LLC	8/21	$31,487,500	$245.00	$14.70	6.00%	100%	Good quality office/R&D building with 95% office build out. Parking ratio is 4.00/1,000. Confirmed by the buyer, this is the sale of two Flex buildings totaling 239,763 square-feet for $63.545 million or about $265 per-square-foot. The buyer plans a long-term hold. The buyer reported a cap rate of 6.0%. Buyer 1031 upleg.
5	Two Office/R&D Buildings 3500-3550 W. Warren Ave. Fremont, CA	352,836	115,537	1986	-	2	3	12	TA Realty	Kennedy Wilson Properties	4/21	$32,300,000	$279.56	$19.57	7.00%	100%	Investor purchase of two office/R&D buildings located in the Bayside Tech Park in Fremont. Tenants include Intuit Medical and Mercury Systems. 3500 West Warren Avenue is a 61,824-square-foot single-story building, serves as the headquarters for Intuity Medical, a leading life science medical device company. 47200 Bayside Parkway is a 53,713-square-foot partial two-story building fully leased to Mercury Systems. The lease for Bayside expires in 2 years.
6	JDSU Industrial Campus 2789 Northpoint Parkway Santa Rosa, CA	206,474	46,240	1984	-	1		N/A	Patriot Northpoint II REFI, LLC	ARG VSSRACA003, LLC	1/20	$9,362,000	$202.47	$13.16	6.50%	100%	This transaction represents the sale of a single tenant leased flex R&D building. The 46,082 square foot one-story building was constructed in 1984 and sits on 9.95 acres in Santa Rosa, CA. The buyer ARG VSSRACA003, LLC purchased the investment from Patriot Northpoint II REFI LLC for $9.362M which equates to about $203 per square foot. The net operating income is $608,530 yielding a cap rate of 6.5%. There are 12 years remaining on the lease, the escrow period was about 6 months and no brokers were involved.
STATISTICS																	
Low		175,111	46,240	1978	2022	1					1/20	$9,362,000	$202.47	$13.16	5.02%	0%	
High		363,290	134,218	2002	2022	2					9/24	$34,600,000	$358.42	$19.57	7.00%	100%	
Average		280,308	97,360			2						$25,792,417	$261.66	$16.36	6.13%	83%	

Compiled by Cushman & Wakefield Western, Inc.

IMPROVED SALES ADJUSTMENT GRID

ECONOMIC ADJUSTMENTS (CUMULATIVE)							PROPERTY CHARACTERISTIC ADJUSTMENTS (ADDITIVE)								
No.	**Price PSF & Date**	**Property Rights Conveyed**	**Conditions of Sale**	**Financing**	**Market Conditions** [1]	**Subtotal**	**Location**	**Size**	**Age, Quality & Condition**	**Loading Facilities**	**Parking Ratio**	**Utility** [2]	**Economics**	**Other**	**Adj. Price PSF**
1	**$253.53**	Fee Simple	N/A	None	Similar	**$228.18**	Superior	Smaller	Inferior	Superior	Similar	Similar	Inferior	Similar	**$228.18**
	Listing	0.0%	-10.0%	0.0%	0.0%	-10.0%	-5.0%	-10.0%	7.5%	-2.5%	0.0%	0.0%	10.0%	0.0%	0.0%
2	**$358.42**	Leased Fee	Arm's-Length	None	Inferior	**$381.76**	Superior	Smaller	Superior	Superior	Similar	Similar	Similar	Similar	**$286.32**
	9/24	0.0%	0.0%	0.0%	6.5%	6.5%	-7.5%	-5.0%	-10.0%	-2.5%	0.0%	0.0%	0.0%	0.0%	-25.0%
3	**$231.00**	Leased Fee	Arm's-Length	None	Inferior	**$250.90**	Similar	Similar	Inferior	Similar	Similar	Similar	Similar	Similar	**$257.17**
	1/23	0.0%	0.0%	0.0%	8.6%	8.6%	0.0%	0.0%	2.5%	0.0%	0.0%	0.0%	0.0%	0.0%	2.5%
4	**$245.00**	Leased Fee	Arm's-Length	None	Inferior	**$263.84**	Superior	Similar	Inferior	Superior	Similar	Similar	Similar	Similar	**$237.45**
	8/21	0.0%	0.0%	0.0%	7.7%	7.7%	-15.0%	0.0%	7.5%	-2.5%	0.0%	0.0%	0.0%	0.0%	-10.0%
5	**$279.56**	Leased Fee	Arm's-Length	None	Inferior	**$304.02**	Superior	Similar	Inferior	Superior	Similar	Similar	Similar	Similar	**$281.22**
	4/21	0.0%	0.0%	0.0%	8.7%	8.7%	-12.5%	0.0%	7.5%	-2.5%	0.0%	0.0%	0.0%	0.0%	-7.5%
6	**$202.47**	Leased Fee	Arm's-Length	None	Inferior	**$228.17**	Similar	Smaller	Inferior	Similar	Similar	Similar	Similar	Similar	**$228.17**
	1/20	0.0%	0.0%	0.0%	12.7%	12.7%	0.0%	-15.0%	15.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

STATISTICS

$202.47	**- Low**	**Low -**	$228.17
$358.42	**- High**	**High -**	$286.32
$261.66	**- Average**	**Average -**	$253.08

Compiled by Cushman & Wakefield Western, Inc.

(1) Market Conditions Adjustment

See Variable Growth Rate Assumptions Table

Date of Value (for adjustment calculations): 11/1/26

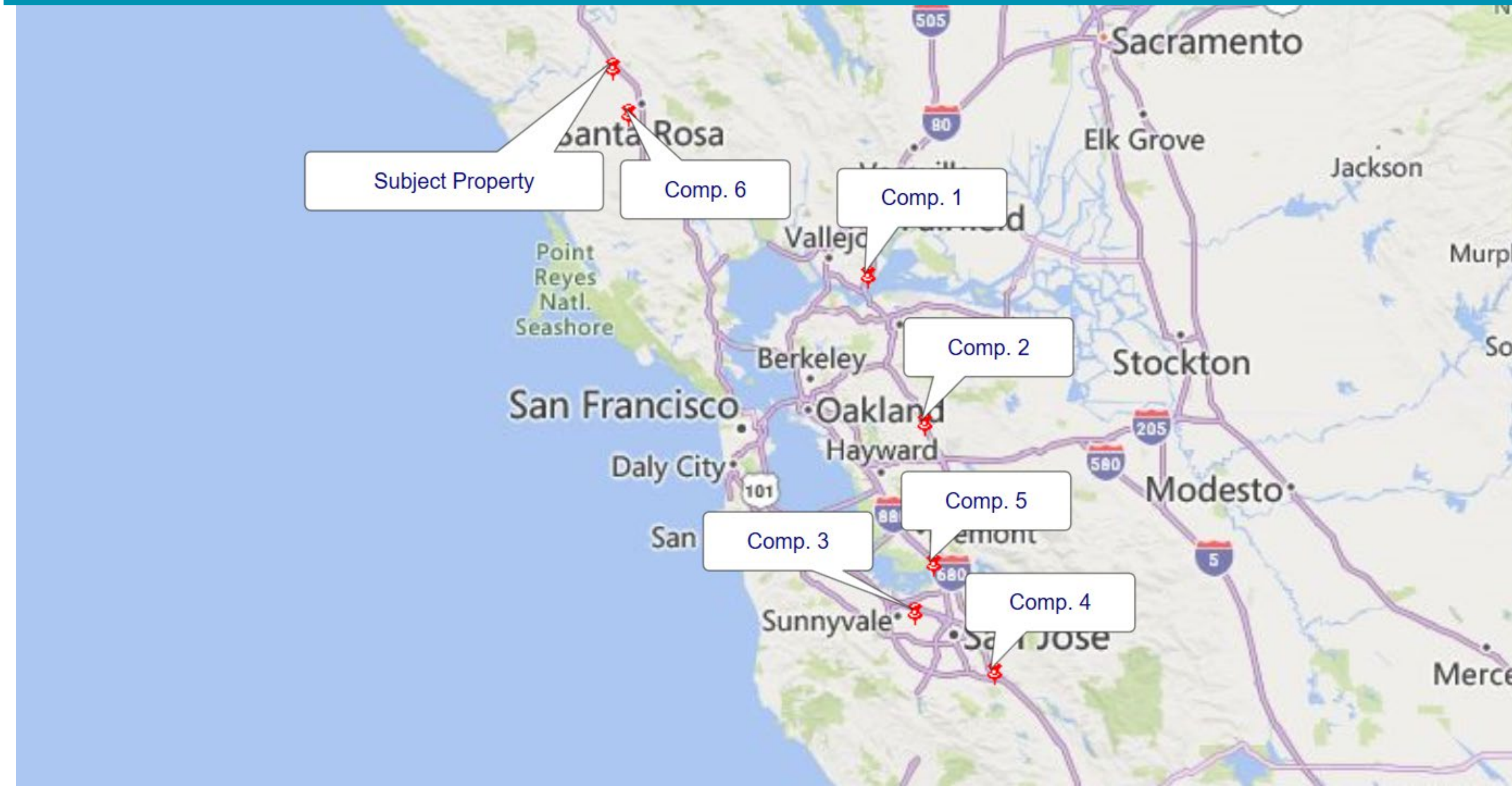
(2) Utility Footnote

Utility includes loss factor, floor plates, etc.

Variable Growth Rate Assumptions

Starting Growth Rate:	3.0%
Inflection Point 1 (IP1):	**6/1/2022**
Change After IP1:	-5.0%
Inflection Point 2 (IP2):	**6/1/2023**
Change After IP2:	3.0%

IMPROVED SALES LOCATION MAP



Percentage Adjustment Method

Adjustment Process

The sales we used were the best available comparables to the subject property. The major points of comparison for this type of analysis include the property rights conveyed, the financial terms incorporated into the transaction, the conditions or motivations surrounding the sale, changes in market conditions since the sale, the location of the real estate, its physical traits and the economic characteristics of the property.

The first adjustment made to the market data takes into account differences between the subject property and the comparable property sales with regard to the legal interest transferred. Advantageous financing terms or atypical conditions of sale are then adjusted to reflect a normal market transaction. Next, changes in market conditions are accounted for, creating a time adjusted price. Lastly, adjustments for location, physical traits and the economic characteristics of the market data are made in order to generate the final adjusted unit rate for the subject property.

When the subject was superior we adjusted the comps upward to those comparables considered inferior. When the subject was inferior we adjusted the comps downward to those comparables considered superior.

Property Rights Conveyed

The property rights conveyed in a transaction typically have an impact on the price that is paid. Acquiring the fee simple interest implies that the buyer is acquiring the full bundle of rights. Acquiring a leased fee interest typically means that the property being acquired is encumbered by at least one lease, which is a binding agreement transferring rights of use and occupancy to the tenant. A leasehold interest involves the acquisition of a lease, which conveys the rights to use and occupy the property to the buyer for a finite period of time. At the end of the lease term, there is typically no reversionary value to the leasehold interest.

- Since we are valuing the leased fee interest as reflected by each of the comparables, an adjustment for property rights is not required.

Conditions of Sale

Adjustments for conditions of sale usually reflect the motivations of the buyer and the seller. In many situations the conditions of sale may significantly affect transaction prices.

- Comparable 1 is a listing and has been adjusted downward as a result.

Financial Terms

The financial terms of a transaction can have an impact on the sale price of a property. A buyer who purchases an asset with favorable financing might pay a higher price, as the reduced cost of debt creates a favorable debt coverage ratio. A transaction involving above-market debt will typically involve a lower purchase price tied to the lower equity returns after debt service. We analyzed all of the transactions to account for atypical financing terms.

- To the best of our knowledge, all of the sales used in this analysis were accomplished with cash or market-oriented financing. Therefore, no adjustments are required.

Market Conditions

In this analysis, we determined the Prospective Market Value Upon Stabilization using the value date of November 2026. All of the comparables are adjusted to this date to reflect changes in market values over time. The sales that are included in this analysis occurred between January 2020 and September 2024, which were adjusted to the date of value using inflection points. Please refer to the adjustment grid for details on these assumptions.

Location

An adjustment for location is required when the locational characteristics of a comparable property differ from those of the subject property. The location of the subject property is rated average, and it has excellent access and good visibility. Each comparable is adjusted accordingly, if applicable.

- Comparables 1, 2, 4, and 5 are located in areas generally considered to be superior to that of the subject property and have been adjusted downward as a result.

Physical Traits

Each property has various physical traits that determine its appeal. These traits include size, age, quality & condition, clear height, and utility. Each comparable is adjusted accordingly, if applicable.

- Comparables 1, 2, and 6 are smaller than the subject and thus warranted a downward adjustment.
- Comparables 1, 3, 4, 5, and 6 are of inferior quality and condition as compared to the subject and have been adjusted upward.
- Comparable 2 is of superior quality and condition and have been adjusted downward.
- Comparables 1, 2, 4, and 5 are of superior clear height as compared to the subject and have been adjusted downward.

Economic Characteristics

The economic characteristics of a property include its occupancy levels, operating expense ratios, tenant quality, and other items not covered under prior adjustments that would have an economic impact on the transaction. Each comparable is adjusted accordingly, if applicable.

- Comparable 1 was sold with considerable vacancy and therefore has been adjusted upward.

Other

This category accounts for any other adjustments not previously discussed. Based on our analysis of these sales, none require any additional adjustment.

Summary of Percentage Adjustment Method

We used the Sales Comparison Approach to estimate the Prospective Market Value Upon Stabilization of the subject property. From that value, we make certain adjustments to derive the As-Is Market Value. A discussion of the adjustments is described as follows:

Prior to adjustments the comparable improved sales reflect unit prices ranging from $202.47 to $358.42 per square foot with an average pre adjusted price of $261.66 per square foot. After adjustments the comparable improved sales reflect unit values ranging from $228.17 to $286.32 per square foot with an average adjusted value of $253.08 per square foot.

We placed greatest reliance on Comparables 3 and 5 due to the relatively minimal gross adjustments required. These comparables exhibit an average adjusted sales value of approximately $270 per square foot. Therefore, we conclude that the indicated value by the Percentage Adjustment Method was:

APPLICATION TO SUBJECT	
Prospective Market Value Upon Stabilization	
Indicated Value per Square Foot NRA	$275.00
Net Rentable Area in Square Feet	x 126,585
Preliminary Value	$34,810,875
Rounded to nearest $100,000	**$34,800,000**
Per Square Foot	$274.91

APPLICATION TO SUBJECT	
Market Value As-Is	
Prospective Market Value Upon Stabilization	**$34,810,875**
LESS Cash Flow Differential	($4,100,000)
Adjusted Value	$30,710,875
Rounded to nearest $100,000	**$30,700,000**
Per Square Foot	$242.52

Compiled by Cushman & Wakefield Western, Inc.

Income Capitalization Approach

Methodology

The Income Capitalization Approach determines the value of a property based on the anticipated economic benefits. The principle of "anticipation" is essential to this approach, which recognizes the relationship between an asset's potential future income and its value. To value the anticipated economic benefits of a property, potential income and expenses must be projected, and the most appropriate capitalization method must be selected.

The most common methods of converting net income into value are Direct Capitalization and Yield Capitalization. In direct capitalization, net operating income is divided by an overall capitalization rate to indicate an opinion of market value. In the yield capitalization method, anticipated future cash flows and a reversionary value are discounted to an opinion of net present value at a chosen yield rate (internal rate of return).

The Yield and Direct Capitalization methods were both used in the analysis as each method is well-supported by market data presented in this report, and both valuation techniques are used by market participants for properties with similar economic characteristics as the subject.

Potential Gross Income

Potential gross income is generated by a number of distinct elements:

- Minimum base rent determined by the lease agreement
- Reimbursement of certain expenses incurred in the ownership and operation of the real estate
- Other miscellaneous revenues

The first step in this approach is to analyze all potential gross income, starting with an analysis of the subject's tenancy.

Subject Tenancy

The property is currently 100.00 leased to Medtronic through March 2025, however the company has vacated the space. Property representatives report the tenant is current on rent and is scheduled to fulfill all lease obligations.

Space Summary & Occupancy Status

The following is a summary of the occupied and vacant space within the subject property as of the date of appraisal.

SPACE SUMMARY & OCCUPANCY STATUS							
	SPACE SUMMARY				SPACE COUNT		
Tenant Category	Occ. SF	Vct. SF	Total SF	Occupancy	Occupied	Vacant	Total
Office R&D	126,585	-	126,585	100.0%	2	0	2
Total	126,585	-	126,585	100.0%	2	0	2

Minimum base rent produced by the subject property is derived from that paid by the various tenant types. The projection used in this analysis is based on the actual rent roll as of the date of appraisal, together with our assumptions regarding the absorption of the vacant space, market rent growth, and renewal/turnover probability.

The rental income an asset such as the subject property will generate for an investor is analyzed based on its quality, quantity, and durability. The quality and probable duration of income will affect the amount of potential risk over the property's investment holding period. By segregating the income stream along these lines, we can control the variables related to the forecasted performance with greater accuracy.

Minimum base rents forecasted at the subject property are derived from various tenant categories. We grouped the tenants into categories that enable us to make like-kind comparisons to other subject leases, which ultimately allows us to make a meaningful comparison of each tenant category to the appropriate set of comparable rents. As an aid to the reader, we preface our analysis of the subject's leases with a discussion of their lease structure.

Subject Rent Schedule

The attained minimum base rent listed for each tenant equals current monthly minimum base rent annualized, excluding any future contractual rent increases, except for the contracted leases which start after the analysis start date, where the initial monthly minimum base rent is annualized.

DETAILED RENT SCHEDULE

As Of Value Date: Nov-24

Tenant Name	No.	End Date	Area (SF)	Contract Rent/Year	Contract Rent/SF	Reimb. Method
Medtronic	3850	Mar-25	63,720	$1,175,513	$18.45	Net
Medtronic	3880	Mar-25	62,865	$1,159,740	$18.45	Net
Totals:			**126,585**	**$2,335,254**	**$18.45**	

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield Western, Inc.

The grand-totals exhibited in the structured rent schedule for contract rent do not incorporate lease-up or downtime provisions. Hence, the grand-totals might differ from the projections shown later in this section.

It should be noted that the property is currently 100.00 leased to Medtronic through March 2025, however the company has since vacated the space. Property representatives report the tenant is current on rent and is scheduled to fulfill all lease obligations.

Analysis of Comparable Office Rents

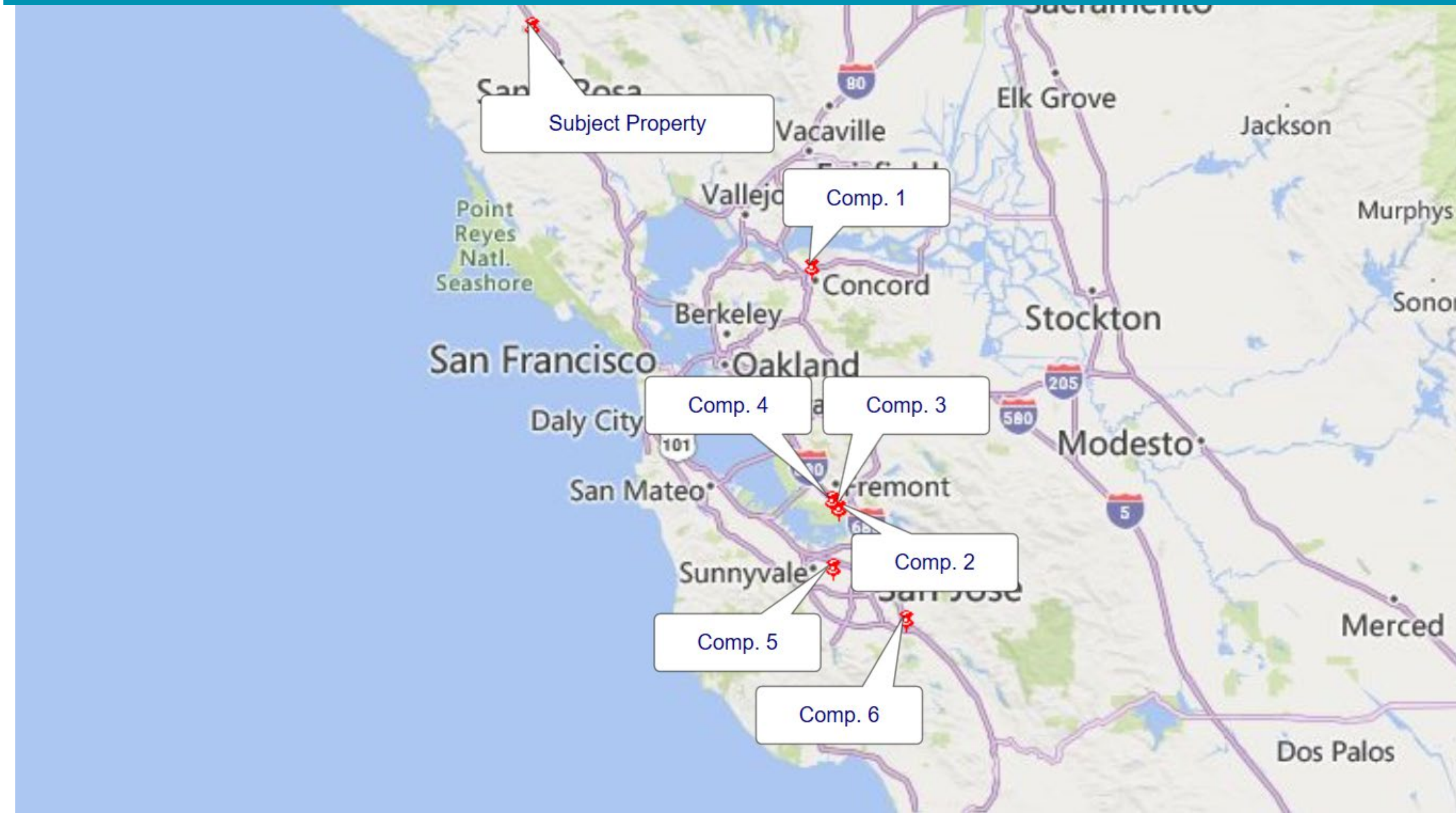
The following table summarizes rental activity for comparable space in similar properties in the market.

OFFICE RENT COMPARABLES

PROPERTY INFORMATION								LEASE INFORMATION									
NO.	Property Name Address, City, State	CLASS	SIZE (NRA)	YEAR BUILT	YEAR RENOVATED	DRIVE-IN DOORS	CLEAR HEIGHT	TENANT NAME	LEASE DATE	SIZE (NRA)	FLOOR	TERM (yrs.)	INITIAL RENT/SF	RENT STEPS	LEASE TYPE	MONTHS FREE	TI/SF
S	Subject Property	B	126,585	2000	N/A	0	13.4			126,585					Net		
1	4040 Nelson Ave, Concord, CA	B	183,159	1989	2013	2	32.0	Listing	Listing	153,499	1	Neg.	$17.40	Neg.	Net	Neg.	Neg.
2	41707 Christy St, Fremont, CA	B	380,160	1988	-	6	30.0	Quanta Computer Inc.	2/24	120,960	1	5.0	$18.24	4.0%	Net	0	$0.00
3	5567 Cushing Pkwy, Fremont, CA	A	163,193	2020	-	2	32.0	Quanta Manufacturing	8/23	163,193	1	8.1	$20.04	3.9%	Net	4	$12.50
4	40737 Encyclopedia Cir, Fremont, CA	B	81,485	1998	-	6	22.0	Celestica	5/23	81,495	1	5.0	$19.80	3.0%	Net	0	$0.00
5	111 Uranium Dr, Sunnyvale, CA	A	126,788	1970	-	2	32.0	Intuitive Surgical	5/22	126,788	1	7.0	$19.20	3.5%	Net	2	$10.00
6	5729 Fontanoso Way, San Jose, CA	B	79,180	2000	-	1	24.0	Khloris Biosciences	8/21	79,180	1	10.0	$19.80	3.0%	Net	0	$35.00
STATISTICS																	
Low			79,180	1970	2013	1	22.00		8/21	79,180		5.0	$17.40			0	$0.00
High			380,160	2020	2013	6	32.00		2/24	163,193		10.0	$20.04			4	$35.00
Average			168,994			3	28.67			120,853		7.0	$19.08			1	$11.50

Compiled by Cushman & Wakefield Western, Inc.

OFFICE COMPARABLE RENTAL LOCATION MAP



Discussion of Office Comparable Rents

We analyzed recent leases negotiated in competitive buildings in the marketplace. The comparables range in size from 79,180 square feet to 163,193 square feet. These are all located in buildings similar in class to the subject and in the subject's competitive market. The comparable leases have terms ranging from 5 to 10 years. The comparables exhibit a range in rents from $17.40 to $20.04 per square foot, with an average of $19.08 per square foot.

Free rent concessions ranged from 0 to 4 months, averaging 1.20 months. Tenant improvement allowances ranged from $0.00 to $35.00 per square foot, averaging $11.50 per square foot. Rent escalation clauses vary, with most having annual percentage increases ranging from 3.0 to 3.5 percent. All of these are triple net leases in which the tenant is required to pay all property operating expenses.

Market Rent Conclusion

Based on the preceding analysis we derived the following market rent conclusions:

MARKET RENT SYNOPSIS						
	NON-WEIGHTED ITEMS					
Tenant Category	Market Rent	Lease Term (Years)	Reimb. Method	Rent Inc. Projection	TI Allowance (PSF)	Free Rent (Months)
Office R/D	$18.00	7	Net	3.50%	$15.00	2

Comparison of Contract Rents to Market

We previously outlined a contract rent schedule for current tenants of the subject property. Adjustments were made to the subject leases to account for lease type equivalency, so all of the subject's rents could be analyzed on a like-kind basis. For comparison to the market, we will look at the lease type equivalent rates that were developed earlier in this report. It should be noted that contract rents are calculated without reference to tenant contributions over expense stops.

The following chart outlines our estimated market rent for each tenant space in the subject property and the attained equivalent rent exclusive of contributions of each lease. Comparing these figures allows us to identify whether the contract rent levels are at, above or below the market. The results of this comparison will have an impact on our selection of the investment rates used in evaluating this property.

ATTAINED RENT LEVELS					MARKET RENT		COMPARISON	
Contract Rent					Market Rent		Comparison	
Tenant Name	No.	Area (SF)	Contract Rent Per Year	Contract Rent/SF	Rent/SF	Annualized	Contract vs	Market Rent
Medtronic	3850	63,720	$1,175,513	$18.45	$18.00	$1,146,960	-2.43%	above market
Medtronic	3880	62,865	$1,159,740	$18.45	$18.00	$1,131,570	-2.43%	above market
Totals:		**126,585**	**$2,335,254**	**$18.45**	**$18.00**	**$2,278,530**	**-2.43%**	**above market**

Note: Attained rent equals current rent annualized for twelve months, and it excludes contractual rent increases

Compiled by Cushman & Wakefield Western, Inc.

When a property is acquired with leases that are at or close to market rent levels, the level of risk involved with the investment is generally low. However, the potential increase to the income stream in this scenario is typically limited, which tends to normalize the investment parameters of participants for these types of properties.

When a property has contract rent levels that are below market, the early returns are generally limited but there is greater potential for the income stream to increase as the below market leases rollover. There is less risk involved with tenants with below market leases, as they have a greater ability to pay the lower rent than they would market level rent. Buyers of properties with below market leases are often entering a lower risk investment with greater upside to their eventual income earning potential, resulting in overall rates that tend to be lower than normal.

Properties that are encumbered by leases with average rents that are significantly above market have increased risk in several key areas. When a property has an average rent that is above market, there is increased risk of default, slow payment or lack of payment by those tenants in that category. Also, at some point, the above market leases will expire, at which time the spaces will be re-leased at market levels. When this occurs, there is a decline in rental revenue for the property, which many times leads to a declining net income stream. When this is the case, investors will require a higher initial return to offset the declining income stream, and to guard against the heightened risk of tenant defaults.

Revenue & Expense Analysis

We developed an opinion of the property's annual income and operating expenses after reviewing both its historical performance and the operating performance of similar buildings. We analyzed each item of expense and developed an opinion regarding what an informed investor would consider typical.

An operating history for the property, a budget for the current year, and our opinion of future income and expenses are presented on the following chart, followed by an analysis of subject property's revenue and expenses.

The property is currently 100.00 leased to Medtronic through March 2025, however the company has vacated the space. Property representatives report the tenant is current on rent and is scheduled to fulfill all lease obligations. As a result, we have modeled this lease income through expiration and then conducted a forecast to reabsorb the space at market terms.

Cushman & Wakefield, Inc. recognizes the standards defined by the CRE Finance Council as the definitive standards by which operating expense data should be analyzed. All operating statements provided by ownership have been recast to reflect these categories. In forecasting expenses, we relied on the owner's historical statements and budgets and analyzed expense levels at comparable properties. Our expense forecast is presented in the following table, followed by a discussion of each expense line item.

REVENUE AND EXPENSE ANALYSIS	SUBJECT PROPERTY					
	Partial Year Annualized		2025 Budget		Cushman & Wakefield Forecast (1)	
REVENUE	**Total**	**PSF**	**Total**	**PSF**	**Total**	**PSF**
Base Rental Revenue	$2,485,716	$19.64	$2,335,254	$18.45	$ 2,325,050	$18.37
Expense Reimbursement	$904,791	$7.15	$868,491	$6.86	$ 899,227	$7.10
POTENTIAL GROSS REVENUE	$3,390,507	$26.78	$3,203,745	$25.31	$3,224,277	$25.47
Vacancy and Collection Loss	$0	$0.00	$0	$0.00	($161,214)	($1.27)
EFFECTIVE GROSS REVENUE	$3,390,507	$26.78	$3,203,745	$25.31	$3,063,063	$24.20
OPERATING EXPENSES						
Insurance	$191,239	$1.51	$203,402	$1.61	$216,300	$1.71
Repairs & Maintenance	$147,709	$1.17	$126,200	$1.00	$128,750	$1.02
Management Fees	$96,644	$0.76	$93,313	$0.74	$122,523	$0.97
Other Expenses	$0	$0.00	$0	$0.00	$32,596	$0.26
Total Operating Expenses	$435,591	$3.44	$422,915	$3.34	$500,168	$3.95
Real Estate Taxes	$469,200	$3.71	$445,576	$3.52	$431,654	$3.41
TOTAL EXPENSES	$904,791	$7.15	$868,491	$6.86	$931,822	$7.36
NET OPERATING INCOME	**$2,485,716**	**$19.64**	**$2,335,254**	**$18.45**	**$2,131,241**	**$16.84**

(1) Stabilized Year Begins: 11/1/2026

Compiled by Cushman & Wakefield Western, Inc.

Vacancy and Collection Loss

Vacancy and collection loss is a function of the interrelationship between absorption, lease expiration, renewal probability, estimated downtime between leases, and a collection loss factor based on the relative stability and credit of the subject's tenant base. Earlier in the report we discussed the vacancy rates for the market in which the subject property is located. We also discussed the subject's occupancy level, which conversely represents its current vacancy level. The following are key statistics that we considered in projecting the appropriate vacancy and collection loss for the subject property.

Based on the historical occupancy of the subject, the current vacancy in the market, and our perception of future market vacancy, we projected a global stabilized vacancy rate of 4.00 percent. We also deducted a collection loss of 1.00 percent. Total vacancy and collection loss is equal to 5.00 percent. Vacancy and credit loss totals $161,214 in the first stabilized year.

Discussion of Expenses

We analyzed each expense item in making our forecast, with our conclusions summarized on the previous table. In some cases, further clarification is provided as follows:

Insurance

Property insurance expenses include coverage for general liability and loss or damage to the property caused by fire, lightning, vandalism malicious mischief, additional perils fire, extended coverage and owner's liability coverage. Insurance costs are modeled in-line with other comparable properties.

Years	PSF
2025 Budget	$1.61
Expense Comparable Low	$0.00
Expense Comparable Average	$1.21
Expense Comparable High	$2.87
Cushman & Wakefield - Stabilized Year	**$1.71**

Repairs & Maintenance

This expense category includes all expenses incurred for general repairs and maintenance, including HVAC, electrical, plumbing, safety systems, roads and grounds, and pest control/exterminating. This expense category also typically includes all outside maintenance service contracts and the cost of maintenance and repairs supplies. The subject's expense is detailed in the following table:

Years	PSF
2025 Budget	$1.00
Expense Comparable Low	$0.16
Expense Comparable Average	$1.78
Expense Comparable High	$3.73
Cushman & Wakefield - Stabilized Year	**$1.02**

Management Fees

Management expenses typically include the costs paid for professional management services. Management services may be contracted for or provided by the property owner. Management fees for this type of property typically range from 2.00 to 4.00 percent of effective gross income.

Years	PSF
2025 Budget	$0.74
Expense Comparable Low	$0.62
Expense Comparable Average	$1.43
Expense Comparable High	$2.55
Cushman & Wakefield - Stabilized Year	**$0.97**

Our forecast for Management Fees is calculated as 3.0 percent of EGI, which we consider to be market oriented.

Other Expenses

This expense category includes other expenses and services needed to operate the property, such as non-reimbursable, legal, audit and accounting, and other miscellaneous expenses, not already included in any of the above expense line items. The subject's expense is detailed in the following table:

Years	PSF
Expense Comparable Low	$0.00
Expense Comparable Average	$0.14
Expense Comparable High	$0.74
Cushman & Wakefield - Stabilized Year	**$0.26**

We have included a Non-reimbursable line item equating to approximately $0.25 per square foot, as is typical for real estate investors in the marketplace.

Real Estate Taxes

A discussion of taxes for the subject property is included in the Real Property Taxes and Assessments section of this report. The subject's expense is detailed in the following table:

Years	PSF
2025 Budget	$3.52
Expense Comparable Low	$0.00
Expense Comparable Average	$5.53
Expense Comparable High	$12.25
Cushman & Wakefield - Stabilized Year	**$3.41**

Our forecast for Real Estate Taxes is calculated by multiplying the property value via the income approach by the local tax rate, plus any special assessments.

Operating Expense Conclusion

We thoroughly analyzed the subject's expense history, owner's budget and expense comparables to make our projections. We forecast total operating expenses for the subject property (excluding real estate taxes) to be $0, equating to $3.95 per square foot in the first stabilized year (year three). The operating expenses (excluding real estate taxes) projected for the subject property reflect an operating expense ratio at stabilization of 16.33 percent of effective gross income. The operating expense comparisons presented in the operating expense analysis table in the following section support our opinion of operating expenses for the subject property.

Years	PSF
2025 Budget	$3.34
Expense Comparable Low	$2.78
Expense Comparable Average	$7.93
Expense Comparable High	$13.03
Cushman & Wakefield - Stabilized Year	**$3.95**

Operating Expense Comparables

The following table illustrates detailed expense levels for the buildings that have varying degrees of similarity with the subject property in terms of age, size, tenancy and quality. In our judgment, a reconciled expense figure of $3.95 per square foot (excluding real estate taxes) is reasonable for the subject property considering its age, size and budgeted expense figures.

	SUBJECT PROPERTY	COMPARABLES REVENUE AND EXPENSE ANALYSIS					
Property Name	Brickyard	Confidential	Confidential	Confidential	Confidential	Confidential	Confidential
Year Built	2000	1960s	2000s	2000s	1970s	1970s	2020s
Year Renovated	N/A	2020s			2010s	2010s	
Rentable Square Feet	126,585	50,001-100,000	100,001-300,000	300,001-500,000	50,001-100,000	100,001-300,000	50,001-100,000
Year of Record		2023	2021	2019	2020	2019	2020
Actual/Budget/Annualized		Actual	Budget	Actual	Actual	Actual	Budget

	Cushman & Wakefield Forecast (1)		Comp 1		Comp 2		Comp 3		Comp 4		Comp 5		Comp 6		Min	Max	Average
REVENUE	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**% EGI**	**PSF**	**PSF**	**PSF**
EFFECTIVE GROSS REVENUE	$24.20	100.00%	$56.34	100.00%	$36.57	100.00%	N/A	100.00%	$32.89	100.00%	$54.66	100.00%	$98.74	100.00%	$32.89	$98.74	$55.84
OPERATING EXPENSES																	
Insurance	$1.71	7.06%	$2.87	5.09%	$1.26	3.45%	$0.90	0.00%	$0.00	0.00%	$1.38	2.52%	$0.83	0.84%	$0.00	$2.87	$1.21
Utilities	$0.00	0.00%	$0.00	0.00%	$1.17	3.20%	$2.08	0.00%	$1.05	3.19%	$2.00	3.66%	$0.59	0.60%	$0.00	$2.08	$1.15
Repairs & Maintenance	$1.02	4.20%	$0.16	0.28%	$2.54	6.95%	$2.39	0.00%	$0.94	2.86%	$3.73	6.82%	$0.92	0.93%	$0.16	$3.73	$1.78
Janitorial	$0.00	0.00%	$0.03	0.05%	$0.75	2.05%	$2.02	0.00%	$0.00	0.00%	$1.59	2.91%	$0.00	0.00%	$0.00	$2.02	$0.73
Management Fees	$0.97	4.00%	$1.15	2.04%	$1.10	3.01%	$0.62	0.00%	$0.72	2.19%	$2.55	4.67%	$2.41	2.44%	$0.62	$2.55	$1.43
Payroll & Benefits	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.00	0.00%	$0.74	0.75%	$0.00	$0.74	$0.12
General & Administrative	$0.00	0.00%	$0.74	1.31%	$2.49	6.81%	$3.03	0.00%	$0.00	0.00%	$1.78	3.26%	$0.17	0.17%	$0.00	$3.03	$1.37
Other Expenses	$0.26	1.06%	$0.04	0.07%	$0.74	2.02%	$0.00	0.00%	$0.07	0.21%	$0.00	0.00%	$0.00	0.00%	$0.00	$0.74	$0.14
Total Operating Expenses	$3.95	16.33%	$4.99	8.86%	$10.05	27.48%	$11.04	0.00%	$2.78	8.45%	$13.03	23.84%	$5.66	5.73%	$2.78	$13.03	$7.93
Real Estate Taxes	$3.41	14.09%	$1.98	3.51%	$7.92	21.66%	$4.84	0.00%	$0.00	0.00%	$6.20	11.34%	$12.25	12.41%	$0.00	$12.25	$5.53
TOTAL EXPENSES	**$7.36**	**30.42%**	**$6.97**	**$0.12**	**$17.97**	**$0.49**	**$15.88**	**$0.00**	**$2.78**	**$0.08**	**$19.23**	**$0.35**	**$17.91**	**$0.18**	**$2.78**	**$19.23**	**$13.46**

(1) Stabilized Year Begins: 11/1/2026

Compiled by Cushman & Wakefield Western, Inc.

The six expense comparables reflect operating expenses (excluding real estate taxes and any ground rent) ranging from $2.78 to $13.03 with an average of $7.93 per square foot.

Based on our analysis of the expense levels at comparable properties, we concluded that there is adequate support for our operating expense conclusions.

Income and Expense Pro Forma

The following chart summarizes our opinion of income and expenses for year three, which is the first stabilized year in this analysis.

SUMMARY OF REVENUE AND EXPENSES			
Stabilized Year For Direct Capitalization:	**Year Three**		
REVENUE	**Annual**	**$/SF**	**% of EGI**
Base Rental Revenue	$2,325,050	$18.37	
Expense Reimbursement	$899,227	$7.10	
POTENTIAL GROSS REVENUE	**$3,224,277**	**$25.47**	
Vacancy and Collection Loss	($161,214)	($1.27)	
EFFECTIVE GROSS REVENUE	**$3,063,063**	**$24.20**	**100.00%**
OPERATING EXPENSES			
Insurance	$216,300	$1.71	7.06%
Repairs & Maintenance	$128,750	$1.02	4.20%
Management Fees	$122,523	$0.97	4.00%
Other Expenses	$32,596	$0.26	1.06%
Total Operating Expenses	**$500,168**	**$3.95**	**16.33%**
Real Estate Taxes	$431,654	$3.41	14.09%
TOTAL EXPENSES	**$931,822**	**$7.36**	**30.42%**
NET OPERATING INCOME	**$2,131,241**	**$16.84**	**69.58%**

Compiled by Cushman & Wakefield Western, Inc.

Investment Considerations

Before determining the appropriate risk rate(s) to apply to the subject, a review of recent market conditions, particularly in the financial markets, is warranted. The following subsection provides review of these trends, ending with a summary of the investment considerations impacting the subject property. The trends are based upon the appraiser's market research, discussions with participants in the market, and the relative position of the subject property within its market.

The Commercial Real Estate (CRE) market is driven by investor demand and strong liquidity. We are monitoring the impacts on both factors as they relate to the Federal Reserve's historical and projected interest rate changes, inflation, and other macroeconomic factors, which have increased uncertainty in the financial and CRE markets. Furthermore, Cushman & Wakefield is closely examining all latest economic developments, and their effects on the subject and its market.

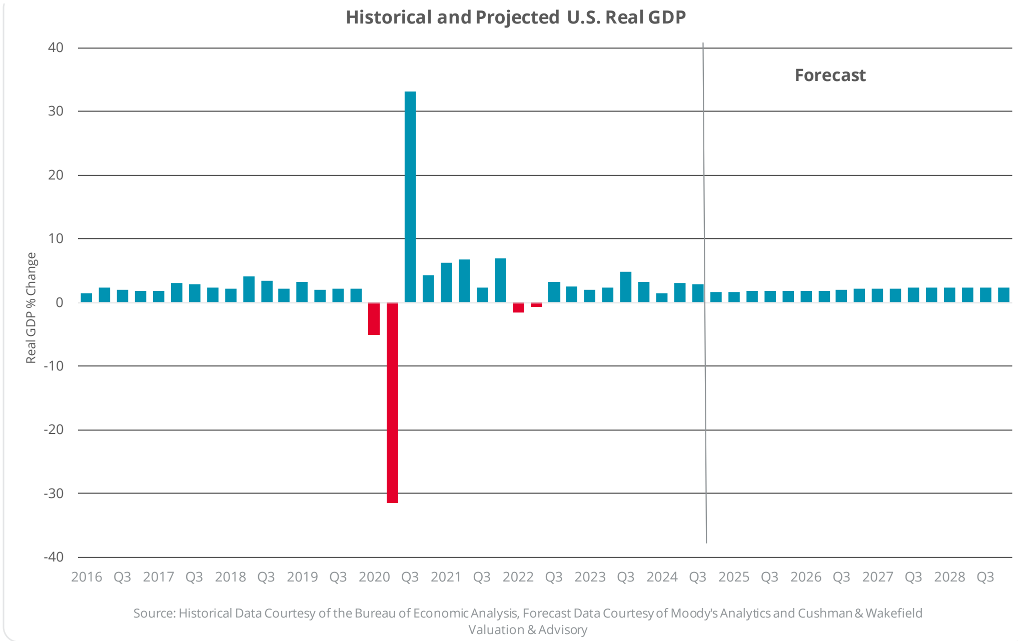
Current Trends and Economic Conditions

As we close out 2024, the economy is in a much better, and more optimistic place, than it was at the beginning of the year. Consumer spending is up, inflation is cooling, and interest rates are beginning to come down. Additionally, Gross Domestic Product (GDP) performed well in third quarter 2024, expanding at a 2.8% annual rate (adjusted for inflation). Driving this growth was robust consumer spending, which grew at a rate of 3.7%, coupled with rising wages and low unemployment.

The Federal Reserve's (Feds) initial 50 basis point interest rate cut ignited a jolt of optimism throughout the marketplace that is helping to usher in the next phase of the recovery. In fact, this jolt was so big that in their November 7 meeting they decided to cut interest rates by another quarter point. As monetary policy grows increasingly less restrictive, broader financial market conditions are loosening, providing more supportive conditions for both commercial real estate leasing and capital markets. As such, prospects of a soft-landing are coming into focus, which is helping to improve sentiment and conviction for business, investors, and lenders.

Looking into early next year, Cushman & Wakefield's base case calls for this soft-landing to continue. GDP growth should slow in the first quarter of next year, after which it should rebound as rates reach less restrictive and more neutral territory. This is happening at the same time the commercial real estate market is finally adjusting to higher, longer-dated costs of capital. While activity picks up, however, pricing will remain challenged as the market regains its footing.

The following graph displays historical and projected U.S. real GDP percentage change (annualized on a quarterly basis) from first quarter 2016 through fourth quarter 2028:

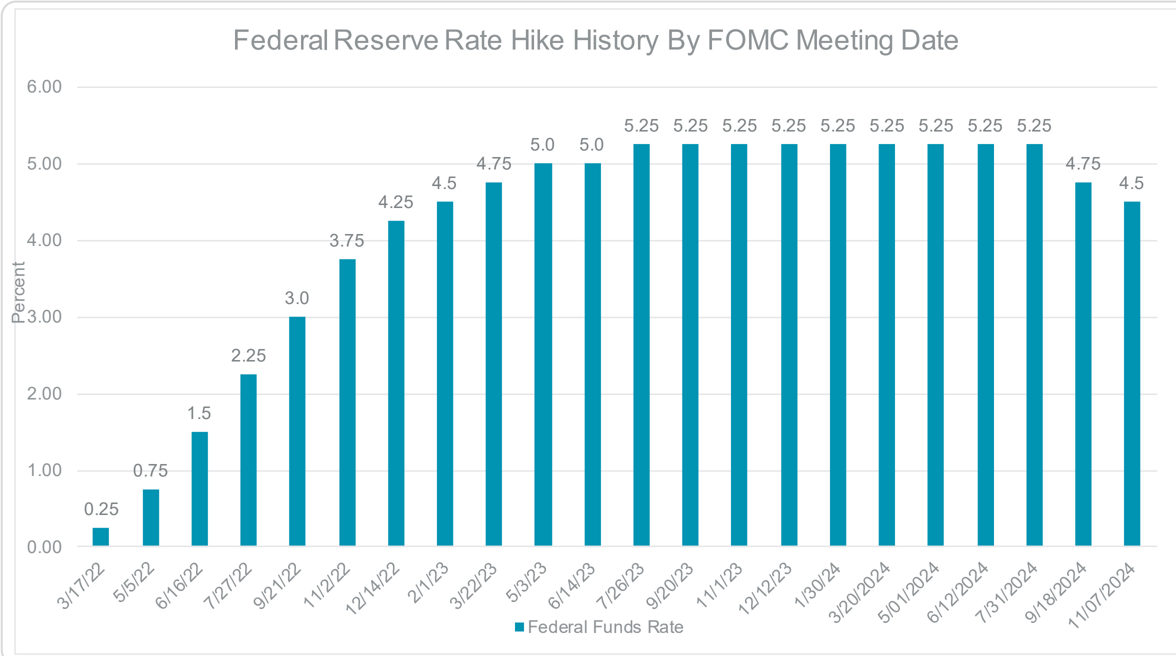


The current wave of inflation began in 2021, immediately following the pandemic in 2020. Its rise has been largely attributed to various causes, including pandemic-related fiscal and monetary stimulus, shortages in the global supply chain, price gouging, and more recently, the Russian-Ukraine and the Israel-Hamas wars. While inflation has slowed significantly in the past year, it still hasn't loosened its grip entirely. In August 2024 the Bureau of Labor Statistics (BLS) reported that overall inflation was 2.5%, down 0.4 percentage points from July and its lowest level in three and a half years. Core CPI, which excludes volatile food and energy prices, held at 3.2%, in line with forecasts.

In early 2022, the Federal Reserve was holding the federal funds rate at around zero. They were buying billions of dollars of bonds every month to stimulate the economy, but various measures of inflation kept inching up and reaching 40-year highs. To combat inflation, the Federal Reserve employed multiple increases to the effective federal funds rate in 2022 and into the first half of 2023. The rate then held steady for over a year until the September 18, 2024, meeting when rates were finally cut by half a percentage point to 4.75%, a move that had been long and eagerly anticipated throughout the economy. As noted, on November 7th, 2024, the Federal Reserve approved a 25-basis point interest-rate cut, bringing the benchmark federal-funds rate to a range between 4.5% and 4.75%, to prevent previous rate increases from weakening the labor market as inflation eases.

Despite the rate cuts, borrowing costs have risen, with longer-dated bond yields climbing and the average 30-year mortgage rate increasing from 6.1% to 6.8% since mid-September, reflecting better economic data and investor concerns about higher deficits or inflation. A review of recent investor activity suggests asset pricing has already factored in the recent Federal Reserve activity. It is likely that additional action involving multiple rate cuts would likely be necessary to affect any material shift in valuations/risk metrics going forward. While the recent election resulted in Republicans taking control of both houses of Congress and the White House, it is unknown exactly how this will impact the debt and capital markets going forward. Early speculation suggests, however, that this outcome should improve the CMBS market due to regulatory changes and a stronger economic growth.

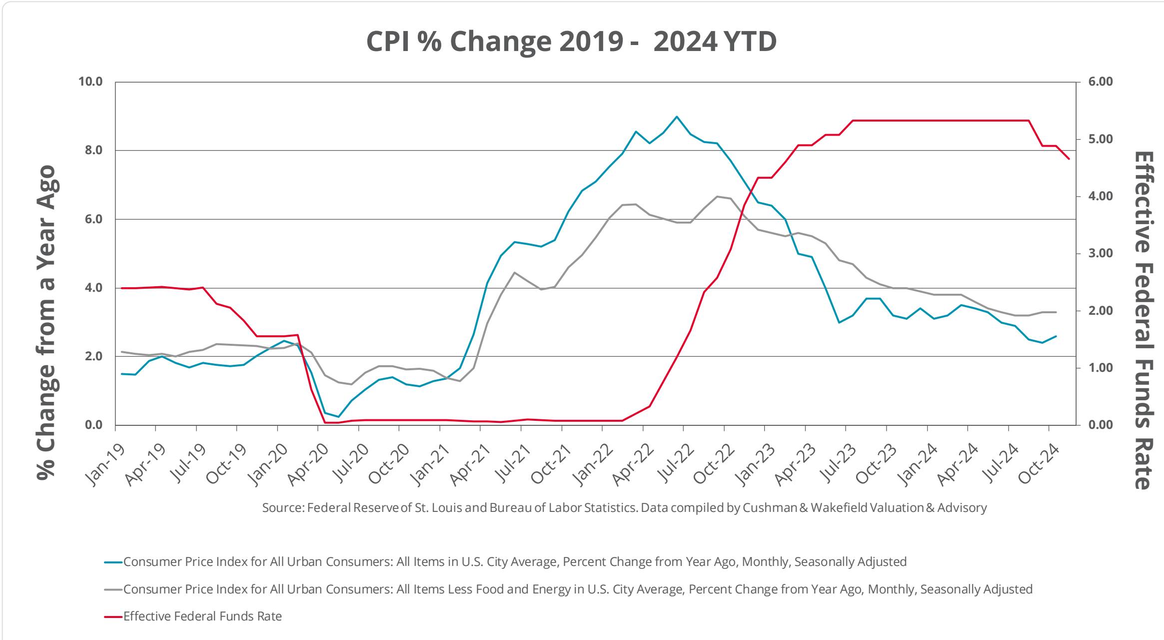
The following chart displays when the Federal Open Market Committee met, their federal funds rate changes, and their basis point increases:



The Effective Federal Funds Rate (EFFR) is an interest rate that calculates the effective median interest rate of overnight federal funds transactions from the previous day and is published daily by the Federal Reserve Bank of New York. The current EFFR is now targeted between 4.75% and 5.00%. This rate, and all interest rates, tend to move in the same direction as inflation, however they typically lag because they are also the primary tool used by central banks to manage inflation. Conversely, when inflation is falling and economic growth is slowing, central banks may lower interest rates to stimulate the economy.

The Federal Reserve generally strives for the dual objective of maximum employment and stable inflation near 2%. Inflation fell from its peak of 9.1% in June 2022 to 2.5% in September, however, it inched back up to 2.6% in October, while core CPI remained steady at 3.3%. Job creation in October 2024, slowed to its weakest pace since the end of 2020, due primarily to the impact of the storms in the southeast. Despite this, the unemployment rate held steady at 4.1% for October 2024.

The following graph compares CPI and Core CPI data (January 2019 – October 2024) with the EFFR from (January 2019 – November 2024):



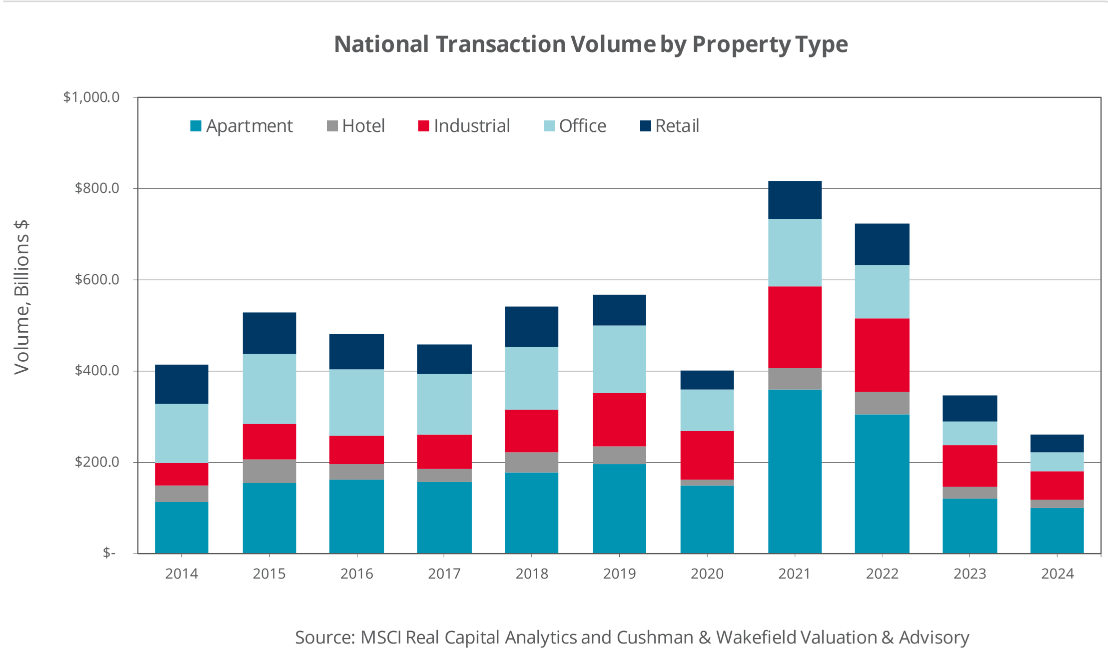
U.S. Real Estate Market Implications

The initial shocks of the interest rate spikes that started in 2022 appear to waning, and the commercial property market is beginning to delicately step into expansion mode. Pockets of weakness still exist, and there are always potential storm clouds looming, but the worry that interest rates will continue to climb is now behind us. While pricing remains challenged, the sharpest declines have passed.

Deal volume was unchanged from third quarter last year, following a 6% year-over-year pace of growth in the second quarter, however, individual asset activity was up 1% over the same time last year. This is a, small, but much welcome improvement from the double-digit drops witnessed over the past two years.

Despite this, commercial property prices are continuing to fall. Looking at RCA’s CPPI (Consumer Price Property Index) the annualized change from 2Q24 suggest a 2.2% overall decline. Currently, it is unclear if this is a sign of new storm clouds forming on the horizon or just noise on the path back to growth. The industrial sector continues to lead the pack, but momentum is slowing. RCA’s CPPI annualized annual pace of growth was 6.7% for Q324, however, it was only 5.4% when compared to last quarter.

Every other property sector showed year-over-year declines, however each sector reported a less severe price drop compared to the previous year. The CBD office market saw the sharpest decline in the CPPI at 22.4% from Q3 2023, however, when analyzing the trend from second quarter of this year the pace of decline is reduced to 8.9%. This suggests that the harshest periods of price declines have passed.



The PricewaterhouseCoopers (PwC) Real Estate Investor Survey analyzes a total of 41 markets, including 22 different asset classes and 19 individual office markets. For second quarter 2024, the average overall cap rate increased in 20 surveyed markets, declined in 13 and held steady in eight. On a quarter-over-quarter basis, the average increase was 5 basis points, and on a year-over-year basis it was 73 basis points.

Although the average overall cap rate was lower for CBD submarkets than it was for their suburban counterparts, five of the 16 city-specific office markets, that contain both CBD and suburban components, bucked that trend this quarter. They were Dallas, Denver, Pacific Northwest, Phoenix, and Seattle. The spread between the average overall cap rates for CBDs versus the suburbs shrank by 43 basis points. The spread between these rates will continue to tighten as the office sector works through challenges stemming from work-from-home patterns, higher cost of capital, and general market uncertainty.

Overall, PwC reports that investors have widely varied opinions about the current state of the CRE market depending on what property type and what geographic location they are referring to. Brick-and-mortar retail is rebounding nicely, while office continues to struggle, and warehouse activity lags. With interest rates having just been cut, slower inflation, and a resilient, but cooler labor market, investors are hoping that momentum will now start to return.

The following table displays an overall cap rate analysis of six distinct property classes during third quarter 2024 and compares them to the previous year. The recent Fed interest rate reduction should create downward pressure on these rates in the near future.

Overall Cap Rate Analysis			
Third Quarter 2024			
Asset Class	Q3 2024	Q3 2023	Basis Point Change
National CBD Office	7.09%	6.19%	+90
National Suburban Office	7.34%	6.54%	+80
National Warehouse	5.55%	4.97%	+58
National Apartment	5.38%	5.28%	+10
National Regional Mall	8.22%	7.60%	+62
National Power Center	6.72%	6.47%	+25
National Strip Center	7.30%	7.16%	+14
National Net Lease	7.62%	7.13%	+38

Source: PwC Real Estate Investor Survey

Conclusion

The U.S. economy continues to face, although easing, interest rate and inflationary challenges while other measures remain strong. The CRE market continues to adapt to the elevated interest rate environment, however, it appears that the worst is now behind us. Recent financial events have made investors a bit shaky and could cause some volatilities in equities. Its effect on CRE remains to be seen, but at this point we still anticipate the soft landing to continue into 2025.

The factors listed in the following table have been considered in our valuation of this property and will have an impact on our selection of all investor rates.

INVESTMENT CONSIDERATIONS	
Real Estate Market Trends:	Real estate market trends have a significant bearing on the value of real property. The real estate market in which the subject property is located is currently stable.
Tenant Quality:	The quality of a property's tenant base is an important factor that is scrutinized by investors prior to acquiring real property. The quality of the subject's tenant roster is considered to be average.
Property Rating:	After considering all of the physical characteristics of the subject, we have concluded that this property has an overall rating that is good, when measured against other properties in this marketplace.
Location Rating:	After considering all of the locational aspects of the subject, including regional and local accessibility as well as overall visibility, we have concluded that the location of this property is average.
Overall Investment Appeal:	There are many factors that are considered prior to investing in this type of property. After considering all of these factors, we conclude that this property has good overall investment appeal.

Investor Survey Trends

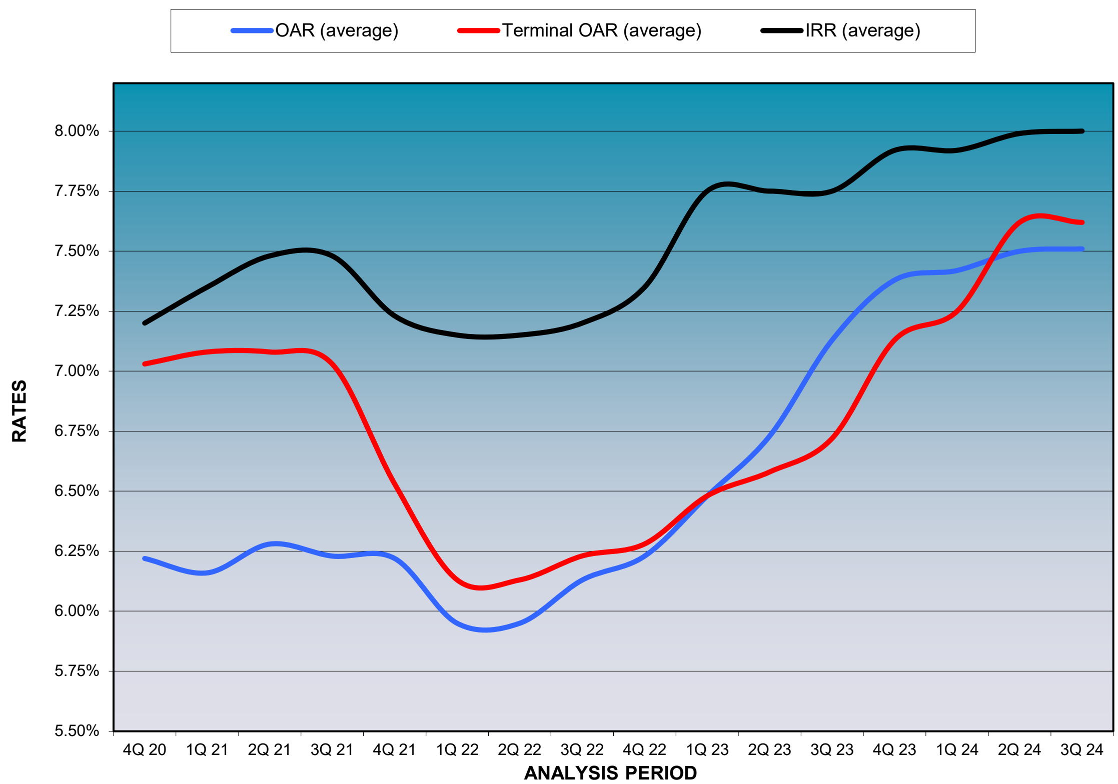
Historic trends in real estate investment help us understand the current and future direction of the market. Investors' return requirements are a benchmark by which real estate assets are bought and sold. The following graph shows the historic trends for the subject's asset class spanning a period of four years as reported in the PwC Real Estate Investor Survey published by PricewaterhouseCoopers.

INVESTOR SURVEY HISTORICAL RESULTS

Survey:	**PwC**	**End Quarter:**
Property Type:	**NATIONAL NET LEASE**	**3Q 24**

Quarter	4Q 20	1Q 21	2Q 21	3Q 21	4Q 21	1Q 22	2Q 22	3Q 22	4Q 22	1Q 23	2Q 23	3Q 23	4Q 23	1Q 24	2Q 24	3Q 24
OAR (average)	6.22%	6.16%	6.28%	6.23%	6.22%	5.95%	5.95%	6.13%	6.23%	6.48%	6.73%	7.13%	7.38%	7.42%	7.50%	7.51%
Terminal OAR (average)	7.03%	7.08%	7.08%	7.03%	6.53%	6.13%	6.13%	6.23%	6.28%	6.48%	6.58%	6.72%	7.13%	7.25%	7.62%	7.62%
IRR (average)	7.20%	7.35%	7.48%	7.48%	7.23%	7.15%	7.15%	7.20%	7.35%	7.75%	7.75%	7.75%	7.92%	7.92%	7.99%	8.00%

INVESTOR SURVEY HISTORICAL RESULTS



Source: PwC Real Estate Investor Survey

Capitalization Rate Analysis

On the following pages we discuss the process of how we determine an appropriate overall capitalization rate to apply to the subject's forecast net income.

Capitalization Rate from Comparable Sales

CAPITALIZATION RATE SUMMARY			
No.	**Name and Location**	**Sale Date**	**Capitalization Rate**
1	5500 East 2nd Street Benicia, CA	Listing	-
2	Canyon Corporate Park II 4600-4650 Norris Canyon Road San Ramon, CA	9/2024	5.02%
3	350 Cobalt Way Sunnyvale, CA	1/2023	-
4	Piercy Business Park 5970 Optical Ct. San Jose, CA	8/2021	6.00%
5	Two Office/R&D Buildings 3500-3550 W. Warren Ave. Fremont, CA	4/2021	7.00%
6	JDSU Industrial Campus 2789 Northpoint Parkway Santa Rosa, CA	1/2020	6.50%
STATISTICS			
Sample Size		5	4
Low		1/2020	5.02%
High		9/2024	7.00%
Median			6.25%
Average			6.13%

Compiled by Cushman & Wakefield Western, Inc.

All comparables are Office R&D properties and reflective of a reasonable cap rate for the subject. As a result, the comparable sales suggest an overall capitalization rate for the subject of around 6.13 percent.

Capitalization Rate from Investor Surveys

We considered data extracted from the Investor Survey for institutional grade assets. Earlier in the report, we presented historical capitalization rates for the prior four-year period. The most recent information from this survey is listed in the following table:

CAPITALIZATION RATES			
Survey	**Date**	**Range**	**Average**
PwC Institutional	Third Quarter 2024	6.25% - 9.00%	7.51%

PwC Institutional - Refers to National Net Lease market regardless of class or occupancy

Capitalization Rate Conclusion

We considered all aspects of the subject property that would influence the overall rate.

The subject is a noninvestment-grade asset in a good location, with existing rents that are near market. We considered OARs indicated by sales of comparable properties and national investor surveys. The indications from these various sources are:

CAPITALIZATION RATE SUMMARY				
Data Source	**Range**			**Average**
Comparable Sales	5.02%	-	7.00%	6.13%
PwC Institutional	6.25%	-	9.00%	7.51%
Overall Rate Conclusion				**6.00%**

Compiled by Cushman & Wakefield Western, Inc.

Given the property attributes and prevailing market return rates, we conclude that a 6.00 percent OAR is applicable to the subject NOI forecast. The rate selected is near the midpoint of the investor survey and the recent sales comparables identified.

Direct Capitalization Method Conclusion

In the Direct Capitalization Method, we developed an opinion of market value by dividing year three net operating income by our selected overall capitalization rate. Our conclusion using the Direct Capitalization Method is as follows:

DIRECT CAPITALIZATION METHOD		
Prospective Market Value Upon Stabilization		
NET OPERATING INCOME	**$2,131,241**	**$16.84**
Sensitivity Analysis (0.50% OAR Spread)	**Value**	**$/SF NRA**
Based on Low-Range of 5.50%	$38,749,827	$306.12
Based on Most Probable Range of 6.00%	$35,520,675	$280.61
Based on High-Range of 6.50%	$32,788,316	$259.02
Preliminary Value	$35,520,675	$280.61
Rounded to nearest $100,000	**$35,500,000**	**$280.44**

APPLICATION TO SUBJECT		
Market Value As-Is		
Prospective Market Value Upon Stabilization	**$35,520,675**	$280.61
LESS Cash Flow Differential	($4,100,000)	($32.39)
Indicated Value	$31,420,675	$248.22
Rounded to nearest $100,000	**$31,400,000**	**$248.05**

Compiled by Cushman & Wakefield Western, Inc.

Adjustments to Preliminary Value

We used the Direct Capitalization to determine the Prospective Market Value Upon Stabilization of the subject property. From that value, we made certain adjustments, which are described as follows:

Discounted Cash Flow Differential

We deducted the difference in results from the two yield capitalization scenarios developed in the Income Capitalization Approach for the subject. The discounted cash flow differential is calculated as follows:

DISCOUNTED CASH FLOW DIFFERENTIAL	
	Value
DCF Results "As Stabilized"	$36,400,000
DCF Results "As Is"	$32,300,000
Equals: DCF Results Differential	$4,100,000

By deducting this discounted cash flow differential, we are encapsulating all of the interim costs which occur during the initial few years of the investment holding period prior to reaching stabilization, which may include lease-up costs such as tenant improvement allowances, free rent, and leasing commissions, or rent loss due to vacancy. In addition, entrepreneurial incentive for the interim costs is reflected within that differential amount, given the spread in the internal rates of return between the "stabilized" and "as is" cash flow scenarios.

Yield Capitalization Method

In the Yield Capitalization Method, we employed ARGUS Enterprise 14.4.0 software to model the income characteristics of the property and to make a variety of cash flow assumptions. We attempted to reflect the most likely investment assumptions of typical buyers and sellers in this market segment.

General Cash Flow Assumptions

The start date of the Yield Capitalization analysis is November 1, 2024. We performed this analysis on a calendar year basis. The analysis incorporates a forecast period of 13 years, and a holding period of 12 years.

The following table outlines the assumptions used in the Yield Capitalization analysis.

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS			
VALUATION SCENARIO:	**Market Value As-Is**		
GENERAL CASH FLOW ASSUMPTIONS		**GROWTH RATES**	
Cash Flow Software:	ARGUS Enterprise 14.4.0	Market Rent:	2.00%
Cash Flow Start Date:	November 1, 2024	Expenses:	3.00%
Calendar or Fiscal Analysis:	Calendar	Real Estate Taxes:	2.00%
Investment Holding Period:	12 Years		
Analysis Projection Period:	13 Years		
VACANCY & COLLECTION LOSS		**RATES OF RETURN**	
Global Vacancy:	4.00%	Internal Rate of Return (Cash Flow):	7.50%
Global Collection Loss:	1.00%	Internal Rate of Return (Reversion):	7.50%
Total Vacancy & Collection Loss:	5.00%	Terminal Capitalization Rate:	6.50%
		Reversionary Sales Cost:	2.00%
		Basis Point Spread (OARout vs. OARin):	50 pts
		VALUATION	
CAPITAL EXPENDITURES		**Market Value As-Is:**	**$32,277,574**
Reserves for Replacement ($/SF):	$0.25	**Adjustments to Value:**	$0
		Adjusted Value:	$32,277,574
		Rounded to nearest $100,000:	**$32,300,000**
		Value $/SF:	$255.16

Compiled by Cushman & Wakefield Western, Inc.

The following information was extracted from the PwC Investor Survey and was used to help determine our growth rate assumptions.

OTHER INVESTOR SURVEY INFORMATION			
Survey	**Data**	**Range**	**Average**
PwC Institutional Third Quarter 2024	Rent Change Rate	-5.00% - 3.00%	0.67%
	Expense Change Rate	0.00% - 3.00%	2.00%

PwC Institutional - Refers to National Net Lease market regardless of class or occupancy

Speculative Leasing Assumptions

The contract lease terms for the existing tenants were used within the Yield Capitalization analysis with market leasing assumptions applied for renewals and absorption tenants. The income and expense information that was previously presented has been used as the basis for our market leasing projections.

Leasing Commissions

We have modeled leasing commissions in accordance with local market standards. The standard leasing commission for new leases is 7.0 percent of the scheduled rental income in years 1 through 3, and 3.0 percent of scheduled rental income for all remaining years. On new leases, the leasing broker is entitled to a full commission. On renewing leases, the leasing broker is entitled to one half of the full commission.

Financial Assumptions

The financial assumptions used in the Yield Capitalization process are discussed in the following commentary.

Terminal Capitalization Rate Selection

A terminal capitalization rate was used to develop an opinion of the market value of the property at the end of the assumed investment holding period. The rate is applied to the net operating income following year 12 before making deductions for leasing commissions, tenant improvement allowances and reserves for replacement. We developed an opinion of an appropriate terminal capitalization rate based on rates in current investor surveys.

TERMINAL CAPITALIZATION RATES (OAR_{out})			
Survey	Date	Range	Average
PwC Institutional	Third Quarter 2024	6.50% - 9.00%	7.62%

PwC Institutional - Refers to National Net Lease market regardless of class or occupancy

Investors will typically use a slightly more conservative overall rate when exiting an investment versus the rate that would be used going into the investment. This accounts both for the aging associated with the improvements over the course of the holding period, and for any unforeseen risks that might arise over that time period.

As a result, we applied a terminal rate of 6.50 percent in our analysis. This rate is 50 basis points above the overall rate going into the investment, which is considered reasonable.

Reversionary Sales Costs

We estimated the cost of sale at the time of reversion to be 2.00 percent, which is in keeping with local market practice.

Discount Rate Selection

We developed an opinion of future cash flows, including property value at reversion, and discounted that income stream at an internal rate of return (IRR) currently required by investors for similar-quality real property. The IRR (also known as yield) is the single rate that discounts all future equity benefits (cash flows and equity reversion) to an opinion of net present value.

The PwC Investor survey indicates the following internal rates of return for competitive properties:

DISCOUNT RATES (IRR)			
Survey	Date	Range	Average
PwC Institutional	Third Quarter 2024	6.00% - 11.00%	8.00%

PwC Institutional - Refers to National Net Lease market regardless of class or occupancy

The above table summarizes the investment parameters of some of the most prominent investors currently acquiring similar investment properties in the United States. We realize that this type of survey reflects target rather than transactional rates. Transactional rates are usually difficult to obtain in the verification process and are actually only target rates of the buyer at the time of sale. The property's performance will ultimately determine the actual yield at the time of sale after a specific holding period.

We previously discussed all factors that would influence our selection of a discount rate for the subject property. Given all of these factors, we discounted our cash flow and reversionary value projections at an internal rate of return of 7.50 percent.

The ARGUS Enterprise 14.4.0 cash flow is presented on the following page. The cash flow commencement date is November 1, 2024.

Yield Capitalization Method Conclusion

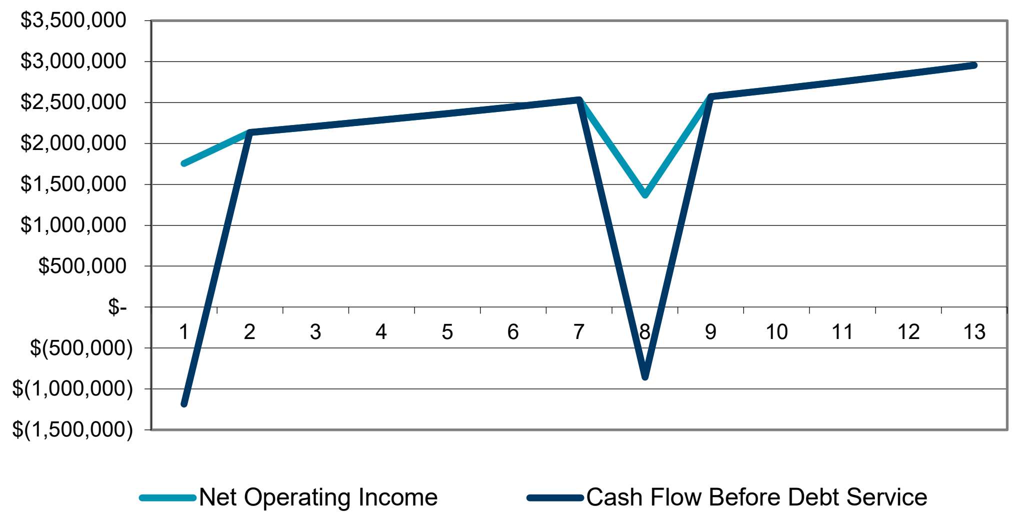
Our cash flow projection and valuation matrix are presented at the end of this section.

ANNUAL CASH FLOW REPORT
Brickyard

	1	2	3	4	5	6	7	8	9	10	11	12	13	Annual Growth Year 1 -
For the Years Beginning	**Nov-24**	**Nov-25**	**Nov-26**	**Nov-27**	**Nov-28**	**Nov-29**	**Nov-30**	**Nov-31**	**Nov-32**	**Nov-33**	**Nov-34**	**Nov-35**	**Nov-36**	
For the Years Ending	**Oct-25**	**Oct-26**	**Oct-27**	**Oct-28**	**Oct-29**	**Oct-30**	**Oct-31**	**Oct-32**	**Oct-33**	**Oct-34**	**Oct-35**	**Oct-36**	**Oct-37**	**Year 13**
Base Rental Revenue	$ 3,200,283	$ 2,325,050	$ 2,406,427	$ 2,490,652	$ 2,577,824	$ 2,668,048	$ 2,761,430	$ 2,785,847	$ 2,807,474	$ 2,905,735	$ 3,007,436	$ 3,112,696	$ 3,221,641	0.06%
Absorption & Turnover Vacancy	(949,388)	0	0	0	0	0	0	(693,774)	0	0	0	0	0	--
Base Rent Abatements	(379,755)	0	0	0	0	0	0	(300,636)	0	0	0	0	0	--
Scheduled Base Rental Revenue	**$ 1,871,140**	**$ 2,325,050**	**$ 2,406,427**	**$ 2,490,652**	**$ 2,577,824**	**$ 2,668,048**	**$ 2,761,430**	**$ 1,791,437**	**$ 2,807,474**	**$ 2,905,735**	**$ 3,007,436**	**$ 3,112,696**	**$ 3,221,641**	**4.63%**
Insurance	210,000	216,300	222,789	229,473	236,357	243,448	250,751	193,705	266,022	274,002	282,222	290,689	299,410	3.00%
R&M	125,000	128,750	132,613	136,591	140,689	144,909	149,257	115,301	158,346	163,097	167,990	173,029	178,220	3.00%
Management	105,828	122,523	126,657	130,932	135,352	139,922	144,647	72,959	148,631	153,645	158,828	164,187	169,498	4.00%
Real Estate Taxes	419,082	431,654	444,604	457,942	471,680	485,831	500,406	386,563	530,880	546,807	563,211	580,107	591,694	2.92%
Tax	322,776	332,459	342,433	352,706	363,287	374,186	385,411	297,730	408,883	421,149	433,784	446,797	454,384	2.89%
Special Assessments	96,306	99,195	102,171	105,236	108,393	111,645	114,994	88,833	121,998	125,657	129,427	133,310	137,309	3.00%
Total Reimbursement Revenue	**$ 859,910**	**$ 899,227**	**$ 926,663**	**$ 954,938**	**$ 984,078**	**$ 1,014,109**	**$ 1,045,060**	**$ 768,528**	**$ 1,103,880**	**$ 1,137,550**	**$ 1,172,251**	**$ 1,208,012**	**$ 1,238,821**	**3.09%**
POTENTIAL GROSS REVENUE	**$ 2,731,050**	**$ 3,224,277**	**$ 3,333,090**	**$ 3,445,590**	**$ 3,561,902**	**$ 3,682,158**	**$ 3,806,490**	**$ 2,559,965**	**$ 3,911,354**	**$ 4,043,286**	**$ 4,179,687**	**$ 4,320,709**	**$ 4,460,462**	**4.17%**
General Vacancy	(58,040)	(128,971)	(133,324)	(137,824)	(142,476)	(147,286)	(152,260)	(102,399)	(156,454)	(161,731)	(167,187)	(172,828)	(178,418)	9.81%
Collection Loss	(27,310)	(32,243)	(33,331)	(34,456)	(35,619)	(36,822)	(38,065)	(25,600)	(39,114)	(40,433)	(41,797)	(43,207)	(44,605)	4.17%
EFFECTIVE GROSS REVENUE	**$ 2,645,699**	**$ 3,063,063**	**$ 3,166,435**	**$ 3,273,310**	**$ 3,383,807**	**$ 3,498,050**	**$ 3,616,165**	**$ 2,431,967**	**$ 3,715,786**	**$ 3,841,122**	**$ 3,970,703**	**$ 4,104,673**	**$ 4,237,439**	**4.00%**
Insurance	210,000	216,300	222,789	229,473	236,357	243,448	250,751	258,274	266,022	274,002	282,222	290,689	299,410	3.00%
R&M	125,000	128,750	132,613	136,591	140,689	144,909	149,257	153,734	158,346	163,097	167,990	173,029	178,220	3.00%
Management	105,828	122,523	126,657	130,932	135,352	139,922	144,647	97,279	148,631	153,645	158,828	164,187	169,498	4.00%
Real Estate Taxes	419,082	431,654	444,604	457,942	471,680	485,831	500,406	515,418	530,880	546,807	563,211	580,107	591,694	2.92%
Tax	322,776	332,459	342,433	352,706	363,287	374,186	385,411	396,974	408,883	421,149	433,784	446,797	454,384	2.89%
Special Assessments	96,306	99,195	102,171	105,236	108,393	111,645	114,994	118,444	121,998	125,657	129,427	133,310	137,309	3.00%
Non-Reimb	31,646	32,596	33,574	34,581	35,618	36,687	37,787	38,921	40,089	41,291	42,530	43,806	45,120	3.00%
TOTAL OPERATING EXPENSES	**$ 891,556**	**$ 931,822**	**$ 960,236**	**$ 989,519**	**$ 1,019,696**	**$ 1,050,796**	**$ 1,082,847**	**$ 1,063,625**	**$ 1,143,968**	**$ 1,178,842**	**$ 1,214,781**	**$ 1,251,818**	**$ 1,283,941**	**3.09%**
NET OPERATING INCOME	**$ 1,754,143**	**$ 2,131,241**	**$ 2,206,199**	**$ 2,283,791**	**$ 2,364,111**	**$ 2,447,254**	**$ 2,533,318**	**$ 1,368,341**	**$ 2,571,818**	**$ 2,662,280**	**$ 2,755,922**	**$ 2,852,855**	**$ 2,953,498**	**4.44%**
Tenant Improvements	1,898,775	0	0	0	0	0	0	1,245,469	0	0	0	0	0	--
Leasing Commissions	1,040,752	0	0	0	0	0	0	979,247	0	0	0	0	0	--
TOTAL LEASING & CAPITAL COSTS	**$ 2,939,527**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,224,716**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**--**
CASH FLOW BEFORE DEBT SERVICE	**$ (1,185,383)**	**$ 2,131,241**	**$ 2,206,199**	**$ 2,283,791**	**$ 2,364,111**	**$ 2,447,254**	**$ 2,533,318**	**$ (856,374)**	**$ 2,571,818**	**$ 2,662,280**	**$ 2,755,922**	**$ 2,852,855**	**$ 2,953,498**	**--**
Implied Overall Rate	5.43%	6.60%	6.83%	7.07%	7.32%	7.58%	7.84%	4.24%	7.96%	8.24%	8.53%	8.83%		
Cash on Cash Return	-3.67%	6.60%	6.83%	7.07%	7.32%	7.58%	7.84%	-2.65%	7.96%	8.24%	8.53%	8.83%		

The following graph depicts the forecasted change in both net income and net cash flow over the analysis period.

NOI vs. Cash Flow



The results of the Yield Capitalization analysis are presented in the following table:

PRICING MATRIX - Market Value As-Is					
Terminal Cap Rates	Discount Rate (IRR) for Cash Flow 6.50%	7.00%	7.50%	8.00%	8.50%
5.50%	$ 39,196,488	$ 37,387,217	$ 35,676,840	$ 34,059,346	$ 32,529,122
6.00%	$ 37,136,695	$ 35,440,004	$ 33,835,571	$ 32,317,805	$ 30,881,484
6.50%	$ 35,393,794	$ 33,792,362	**$ 32,277,574**	$ 30,844,194	$ 29,487,328
7.00%	$ 33,899,878	$ 32,380,098	$ 30,942,148	$ 29,581,098	$ 28,292,338
7.50%	$ 32,605,152	$ 31,156,135	$ 29,784,779	$ 28,486,415	$ 27,256,679
IRR Reversion	**6.50%**	**7.00%**	**7.50%**	**8.00%**	**8.50%**
Cost of Sale at Reversion:			2.00%		
Percent Residual:			57.92%		
Rounded to nearest $100,000			**$32,300,000**	**$255.16**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $32,300,000, rounded. The reversion contributes 57.92 percent to this value estimate.

Additional Valuation Scenario & Assumptions

As the property is not currently operating at stabilized occupancy, we also prepared the prospective value discussed in the following:

Yield Capitalization Method Conclusion – Prospective Value Upon Stabilization

The following table summarizes the parameters used to determine the prospective value of the subject property upon stabilization. The value conclusion is also presented in the following table:

DISCOUNTED CASH FLOW MODELING ASSUMPTIONS		
VALUATION SCENARIO:	**Prospective Market Value Upon Stabilization**	
ADDITIONAL ASSUMPTIONS		
Holding Period:	10 Years	**$36,418,115**
Projection Period:	11 Years	$0
Start Date:	November 1, 2026	$36,418,115
Internal Rate of Return (Cash Flow):	7.50%	**$36,400,000**
Internal Rate of Return (Reversion):	7.50%	$287.55
Terminal Capitalization Rate:	6.50%	
Reversionary Sales Cost:	2.00%	

Compiled by Cushman & Wakefield Western, Inc.

The value matrix correlating to this valuation is presented in the following table:

PRICING MATRIX - Prospective Market Value Upon Stabilization					
Terminal	**Discount Rate (IRR) for Cash Flow**				
Cap Rates	**6.50%**	**7.00%**	**7.50%**	**8.00%**	**8.50%**
5.50%	$ 43,561,785	$ 41,915,383	$ 40,346,392	$ 38,850,729	$ 37,424,545
6.00%	$ 41,225,517	$ 39,686,019	$ 38,218,575	$ 36,819,395	$ 35,484,904
6.50%	$ 39,248,675	$ 37,799,633	**$ 36,418,115**	$ 35,100,574	$ 33,843,669
7.00%	$ 37,554,239	$ 36,182,732	$ 34,874,864	$ 33,627,300	$ 32,436,896
7.50%	$ 36,085,727	$ 34,781,418	$ 33,537,380	$ 32,350,462	$ 31,217,693
IRR Reversion	**6.50%**	**7.00%**	**7.50%**	**8.00%**	**8.50%**
Cost of Sale at Reversion:			2.00%		
Percent Residual:			59.33%		
Rounded to nearest $100,000			**$36,400,000**	**$287.55**	

Based on the rates selected, the value via the Yield Capitalization analysis is estimated at $36,400,000, rounded. The reversion contributes 59.33 percent to this value estimate.

Reconciliation within the Income Capitalization Approach

The following is a summary of our concluded values in the Income Capitalization Approach:

INCOME CAPITALIZATION APPROACH CONCLUSION				
Methodology	**Market Value As-Is**	**PSF**	**Prospective Market Value Upon Stabilization**	**PSF**
Yield Capitalization	$32,300,000	$255.16	$36,400,000	$287.55
Direct Capitalization	$31,400,000	$248.05	$35,500,000	$280.44
Income Approach Conclusion	**$32,300,000**	**$255.16**	**$36,400,000**	**$287.55**

Compiled by Cushman & Wakefield Western, Inc.

Reconciliation and Final Value Opinion

Valuation Methodology Review and Reconciliation

This appraisal employs the Sales Comparison Approach and the Income Capitalization Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Typical purchasers do not generally rely on the Cost Approach when purchasing a property such as the subject of this report. Therefore, we have not utilized the Cost Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

The approaches indicated the following:

FINAL VALUE RECONCILIATION

	Market Value As-Is	PSF	Prospective Market Value Upon Stabilization	PSF
Date of Value	**November 13, 2024**		**November 1, 2026**	
Sales Comparison Approach				
Percentage Adjustment Method	$30,700,000	$242.52	$34,800,000	$274.91
Conclusion	$30,700,000	$242.52	$34,800,000	$274.91
Income Capitalization Approach				
Yield Capitalization	$32,300,000	$255.16	$36,400,000	$287.55
Direct Capitalization	$31,400,000	$248.05	$35,500,000	$280.44
Conclusion	$32,300,000	$255.16	$36,400,000	$287.55
Final Value Conclusion	**$32,300,000**	**$255.16**	**$36,400,000**	**$287.55**

Compiled by Cushman & Wakefield Western, Inc.

We gave all weight to the Income Capitalization Approaches because this mirrors the methodology used by purchasers of this property type.

Value Conclusions

Appraisal Premise	Real Property Interest	Date of Value	Value Conclusion
Market Value As-Is	Leased Fee	November 13, 2024	$32,300,000
Prospective Market Value Upon Stabilization	Leased Fee	November 1, 2026	$36,400,000

Compiled by Cushman & Wakefield Western, Inc.

The implied “going in” capitalization rate is 5.86 percent. The overall capitalization rates derived from the improved property sales are between 5.02 percent and 7.00 percent, averaging 6.13 percent. The implied going-in cap rate is in line with going-in capitalization rates indicated by the sales and the most recent Investor Surveys.

Extraordinary Assumptions

For a definition of Extraordinary Assumptions please see the Glossary of Terms & Definitions. The use of extraordinary assumptions, if any, might have affected the assignment results.

The prospective market value estimate is based upon market participant attitudes and perceptions existing as of the effective date of our appraisal. We assume no material change in the physical characteristics and condition of the subject property or in overall market conditions between the date of inspection and effective date of value, except for those identified within the report.

Hypothetical Conditions

For a definition of Hypothetical Conditions please see the Glossary of Terms & Definitions. The use of hypothetical conditions, if any, might have affected the assignment results.

This appraisal does not employ any hypothetical conditions.

Exposure Time

Based on our review of national investor surveys, discussions with market participants and information gathered during the sales verification process, a reasonable exposure time for the subject property at the value concluded within this report would have been approximately ten-twelve (10-12) months. This assumes an active and professional marketing plan would have been employed by the current owner.

Assumptions and Limiting Conditions

"Report" means the appraisal or consulting report and conclusions stated therein, to which these Assumptions and Limiting Conditions are annexed.

"Property" means the subject of the Report.

"Cushman & Wakefield" means Cushman & Wakefield, Inc. or its subsidiary that issued the Report.

"Appraiser(s)" means the employee(s) of Cushman & Wakefield who prepared and signed the Report.

The Report has been made subject to the following assumptions and limiting conditions:

- No opinion is intended to be expressed and no responsibility is assumed for the legal description or for any matters that are legal in nature or require legal expertise or specialized knowledge beyond that of a real estate appraiser. Title to the Property is assumed to be good and marketable and the Property is assumed to be free and clear of all liens unless otherwise stated. No survey of the Property was undertaken.
- The information contained in the Report or upon which the Report is based has been gathered from sources the Appraiser assumes to be reliable and accurate. The owner of the Property may have provided some of such information. Neither the Appraiser nor Cushman & Wakefield shall be responsible for the accuracy or completeness of such information, including the correctness of estimates, opinions, dimensions, sketches, exhibits and factual matters. Any authorized user of the Report is obligated to bring to the attention of Cushman & Wakefield any inaccuracies or errors that it believes are contained in the Report.
- The opinions are only as of the date stated in the Report. Changes since that date in external and market factors or in the Property itself can significantly affect the conclusions in the Report.
- The Report is to be used in whole and not in part. No part of the Report shall be used in conjunction with any other analyses. Publication of the Report or any portion thereof without the prior written consent of Cushman & Wakefield is prohibited. Reference to the Appraisal Institute or to the MAI designation is prohibited. Except as may be otherwise stated in the letter of engagement, the Report may not be used by any person(s) other than the party(ies) to whom it is addressed or for purposes other than that for which it was prepared. No part of the Report shall be conveyed to the public through advertising, or used in any sales, promotion, offering or SEC material without Cushman & Wakefield's prior written consent. Any authorized user(s) of this Report who provides a copy to, or permits reliance thereon by, any person or entity not authorized by Cushman & Wakefield in writing to use or rely thereon, hereby agrees to indemnify and hold Cushman & Wakefield, its affiliates and their respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the Report by any such unauthorized person(s) or entity(ies).
- Except as may be otherwise stated in the letter of engagement, the Appraiser shall not be required to give testimony in any court or administrative proceeding relating to the Property or the Appraisal.
- The Report assumes (a) responsible ownership and competent management of the Property; (b) there are no hidden or unapparent conditions of the Property, subsoil or structures that render the Property more or less valuable (no responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them); (c) full compliance with all applicable federal, state and local zoning and environmental regulations and laws, unless noncompliance is stated, defined and considered in the Report; and (d) all required licenses, certificates of occupancy and other governmental consents have been or can be obtained and renewed for any use on which the value opinion contained in the Report is based.
- The physical condition of the improvements considered by the Report is based on visual inspection by the Appraiser or other person identified in the Report. Cushman & Wakefield assumes no responsibility for the soundness of structural components or for the condition of mechanical equipment, plumbing or electrical components.
- The forecasted potential gross income referred to in the Report may be based on lease summaries provided by the owner or third parties. The Report assumes no responsibility for the authenticity or completeness of lease information provided by others. Cushman & Wakefield recommends that legal advice be obtained regarding the interpretation of lease provisions and the contractual rights of parties.

- The forecasts of income and expenses are not predictions of the future. Rather, they are the Appraiser's best opinions of current market thinking on future income and expenses. The Appraiser and Cushman & Wakefield make no warranty or representation that these forecasts will materialize. The real estate market is constantly fluctuating and changing. It is not the Appraiser's task to predict or in any way warrant the conditions of a future real estate market; the Appraiser can only reflect what the investment community, as of the date of the Report, envisages for the future in terms of rental rates, expenses, and supply and demand.
- Unless otherwise stated in the Report, the existence of potentially hazardous or toxic materials that may have been used in the construction or maintenance of the improvements or may be located at or about the Property was not considered in arriving at the opinion of value. These materials (such as formaldehyde foam insulation, asbestos insulation and other potentially hazardous materials) may adversely affect the value of the Property. The Appraisers are not qualified to detect such substances. Cushman & Wakefield recommends that an environmental expert be employed to determine the impact of these matters on the opinion of value.
- Unless otherwise stated in the Report, compliance with the requirements of the Americans with Disabilities Act of 1990 (ADA) has not been considered in arriving at the opinion of value. Failure to comply with the requirements of the ADA may adversely affect the value of the Property. Cushman & Wakefield recommends that an expert in this field be employed to determine the compliance of the Property with the requirements of the ADA and the impact of these matters on the opinion of value.
- If the Report is submitted to a lender or investor with the prior approval of Cushman & Wakefield, such party should consider this Report as only one factor, together with its independent investment considerations and underwriting criteria, in its overall investment decision. Such lender or investor is specifically cautioned to understand all Extraordinary Assumptions and Hypothetical Conditions and the Assumptions and Limiting Conditions incorporated in this Report.
- In the event of a claim against Cushman & Wakefield or its affiliates or their respective officers or employees or the Appraisers in connection with or in any way relating to this Report or this engagement, the maximum damages recoverable shall be the amount of the monies actually collected by Cushman & Wakefield or its affiliates for this Report and under no circumstances shall any claim for consequential damages be made.
- If the Report is referred to or included in any offering material or prospectus, the Report shall be deemed referred to or included for informational purposes only and Cushman & Wakefield, its employees and the Appraiser have no liability to such recipients. Cushman & Wakefield disclaims any and all liability to any party other than the party that retained Cushman & Wakefield to prepare the Report.
- Unless otherwise noted, we were not given a soil report to review. However, we assume that the soil's load-bearing capacity is sufficient to support existing and/or proposed structure(s). We did not observe any evidence to the contrary during our physical inspection of the property. Drainage appears to be adequate.
- Unless otherwise noted, we were not given a title report to review. We do not know of any easements, encroachments, or restrictions that would adversely affect the site's use. However, we recommend a title search to determine whether any adverse conditions exist.
- Unless otherwise noted, we were not given a wetlands survey to review. If subsequent engineering data reveal the presence of regulated wetlands, it could materially affect property value. We recommend a wetlands survey by a professional engineer with expertise in this field.
- Unless otherwise noted, we observed no evidence of toxic or hazardous substances during our inspection of the site. However, we are not trained to perform technical environmental inspections and recommend the hiring of a professional engineer with expertise in this field.
- Unless otherwise noted, we did not inspect the roof nor did we make a detailed inspection of the mechanical systems. The appraisers are not qualified to render an opinion regarding the adequacy or condition of these components. The client is urged to retain an expert in this field if detailed information is needed.
- By use of this Report each party that uses this Report agrees to be bound by all of the Assumptions and Limiting Conditions, Hypothetical Conditions and Extraordinary Assumptions stated herein.

Certification

We certify that, to the best of our knowledge and belief:

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- We have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.
- We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
- Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- 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 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.
- C&W has undertaken to complete this report without regard to race, color, religion, national origin, sex, marital status, or any other prohibited basis, and it is not intended to contain references that could be regarded as discriminatory.
- Jason Garlock, MAI did make a personal inspection of the property that is the subject of this report. Melissa J. Bach, MAI, CRE did not make a personal inspection of the property that is the subject of this report.
- Jason Garlock, MAI has performed no prior services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- Melissa J. Bach, MAI, CRE has performed no prior services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- Alex Smith provided significant real property appraisal assistance to the persons signing this report.
- As of the date of this report, Jason Garlock, MAI and Melissa J. Bach, MAI, CRE have completed the continuing education program for Designated Members of the Appraisal Institute.

Jason Garlock, MAI
Executive Director
CA Certified General Appraiser
License No. AG 035693
jason.garlock@cushwake.com
(415) 773-3520 Office Direct

Melissa J. Bach, MAI, CRE
Executive Managing Director
CA Certified General Appraiser
License No. AG017144
Melissa.Bach@cushwake.com
(415) 658-3698 Office Direct

Addenda Contents

Addendum A:
Glossary of Terms & Definitions

The following definitions of pertinent terms are taken from *The Dictionary of Real Estate Appraisal*, Seventh Edition (2022), published by the Appraisal Institute, Chicago, IL, as well as other sources.

Band of Investment

A technique in which the capitalization rates attributable to components of a capital investment are weighted and combined to derive a weighted-average rate attributable to the total investment (i.e., debt and equity, land and improvements).

Capital Expenditure

Investments of cash (or the creation of liability) to acquire or improve an asset, e.g., land, buildings, building additions, site improvements, machinery, equipment; as distinguished from cash outflows for expense items that are normally considered part of the current period's operations. Also referred to as *cap ex*.

Cash Equivalency Analysis

An analytical process in which the sale price of a transaction with atypical financing or financing with unusual conditions or incentives is converted into a price equivalent or consistent with what a cash buyer would pay with all other factors the same.

Depreciation

1. In appraisal, a loss in property value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. 2. In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

- Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
- The property is subjected to market conditions prevailing as of the date of valuation.
- The buyer and seller is each acting prudently and knowledgeably.
- The seller is under compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider their best interest.
- An adequate marketing effort will be made during the exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Entrepreneurial Incentive

The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project.

Equity Capitalization Rate

An income rate that reflects the relationship between one year's equity cash flow and the equity investment; also called the cash-on-cash rate, cash flow rate, cash throw-off rate, or equity dividend rate.

Excess Land

Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately.

Exposure Time

The time a property remains on the market. Per USPAP, 2024 ed., AO-35: An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational.

Extraordinary Assumption

An assignment-specific assumption, as of the effective date regarding uncertain information used in an analysis, which, if found to be false, could alter the appraiser's opinions or conclusions. Per USPAP, 2024 ed., Definitions-Comment: Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis.

Fair Market Value

1. In nontechnical usage, a term that is generally synonymous with the contemporary usage of market value. 2. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. In some situations, the interpretation of fair market value is more directly comparable to the concept of fair value than to market value in exchange.

Fair Value

The price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fee Simple Estate

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

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards.

Highest and Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.

Highest and Best Use as Improved

The use that should be made of a property as it exists. An existing improvement should be renovated or retained as is so long as it continues to contribute to the total market value of the property, or until the return from a new improvement would more than offset the cost of demolishing the existing building and constructing a new one.

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. 2. A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Per USPAP, 2024 ed., Definitions-Comment: Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis.

Insurable Replacement Cost

The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design, and layout for insurance coverage purposes guaranteeing that damaged property is replaced with new property (i.e., depreciation is not deducted).

Intended Use

1. The valuer's intent as to how the report will be used. 2. Per USPAP, 2024 ed., Definitions: The use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.

Intended User

1. The party or parties the valuer intends will use the report. 2. Per USPAP, 2024 ed., Definitions: The client and any other party as identified, by name or type, as users of the appraisal or appraisal review report by the appraiser based on communication with the client at the time of the assignment.

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. 2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth).

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in property is likely to bring under the following conditions:

- Consummation of a sale within a short time period.
- The property is subjected to market conditions prevailing as of the date of valuation.
- Both the buyer and seller is acting prudently and knowledgeably.
- The seller is under extreme compulsion to sell.
- The buyer is typically motivated.
- Both parties are acting in what they consider to be their best interest.
- A normal marketing effort is not possible due to the brief exposure time.
- Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
- The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Market Rent

The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus.

Implicit in this definition is the execution of a lease as of a specified date under conditions whereby

- Lessee and lessor are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their best interests;
- Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
- The rent reflects specified terms and conditions typically found in that market, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, frequency of payments (annual, monthly, etc.), and tenant improvements (TIs)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that 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 are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

- 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.[1]

Market Value As Is

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the “as is” phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an “as is” value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards.

Marketing Time

An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and marketing time.) See also exposure time.

Mortgage-Equity Analysis

Capitalization and investment analysis procedures that recognize how mortgage terms and equity requirements affect the value of income-producing property.

Partial Interest

Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement.

Physical Deterioration

The wear and tear that begins when a building is completed and placed into service.

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

For example, the value of a property as of a point in time when all improvements have been physically constructed (Upon Completion) and when the property has been leased to its optimum level of long-term occupancy (Upon Stabilization). At such point, all capital outlays for tenant improvements, leasing commissions, marketing costs and other carrying charges are assumed to have been incurred.

Remaining Economic Life

The estimated period over which existing improvements are expected to contribute economically to a property; an estimate of the number of years remaining in the economic life of a structure or structural components as of the effective date of the appraisal; used in the economic age-life method of estimating depreciation.

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., “retrospective market value.”

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel.

Uniform Standards of Professional Appraisal Practice (USPAP)

In the United States, professional standards, developed for appraisers and users of appraisal services by the Appraisal Standards Board of The Appraisal Foundation, that are required for use in federally related transactions. Compliance with USPAP is also required in certain appraisals by state certification and licensing boards.

[1] “Interagency Appraisal and Evaluation Guidelines.” Federal Register 75:237 (December 10, 2010) p. 77472.

Addendum B:
Engagement Letter

Professional Services Agreement ("PSA")
Revision G – October 2021

AGREEMENT FOR PROFESSIONAL] SERVICES

This agreement ("Agreement"), dated as of November 5, 2024 ("Effective Date") is by and between the **County of Sonoma**, a political subdivision of the State of California (hereinafter "County"), and **Cushman & Wakefield Western, Inc.**, a California corporation (hereinafter "Consultant").

R E C I T A L S

WHEREAS, Consultant represents that it is a duly qualified and licensed global commercial real estate services firm, experienced in the preparation of real estate valuation, property appraisals, arbitration, and related services; and

WHEREAS, in the judgment of the Director of Sonoma County Public Infrastructure ("SPI"), it is desirable to employ the services of Consultant to provide an Opinion of Values of the commercial real property commonly known as 3850 and 3880 Brickway Boulevard, in Santa Rosa, California (APN 059-360-008 and 059-360-007) (the "Property").

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

A G R E E M E N T

l. Scope of Services.

1.1 Consultant's Specified Services. Consultant shall perform the services described in Exhibit "A," attached hereto and incorporated herein by this reference (hereinafter "Scope of Work"), and by no later than **November 15, 2024**, and pursuant to Article 7, Prosecution of Work. In the event of a conflict between the body of this Agreement and Exhibit "A", the provisions in the body of this Agreement shall control.

1.2 Cooperation With County. Consultant shall cooperate with County and County staff in the performance of all work hereunder.

1.3 Performance Standard. Consultant shall perform all work hereunder in a manner consistent with the level of competency and standard of care normally observed by a person practicing in Consultant's profession. County has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees to provide all services under this Agreement in accordance with generally accepted professional practices and standards of care, as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Contractor's work by County shall not operate as a waiver or release. If County determines that any of Consultant's work is not in accordance with such level of competency and standard of care, County, in its sole discretion, shall have the right to do any or all of the following: (a) require Consultant to meet with County to review the quality of the work and resolve matters of concern; (b) require Consultant to repeat the work at no additional charge until it is satisfactory; (c) terminate this Agreement pursuant to the provisions of Article 4; or (d) pursue any and all other remedies at law or in equity.

1.4 Assigned Personnel.

a. Consultant shall assign only competent personnel to perform work hereunder. In the event that at any time County, in its sole discretion, desires the removal of any person or persons assigned by Consultant to perform work hereunder, Consultant shall remove such person or persons immediately upon receiving written notice from County.

b. Any and all persons identified in this Agreement or any exhibit hereto as the project manager, project team, or other professional performing work hereunder are deemed by County to be key personnel whose services were a material inducement to County to enter into this Agreement, and without whose services County would not have entered into this Agreement. Consultant shall not remove, replace, substitute, or otherwise change any key personnel without the prior written consent of County.

c. In the event that any of Consultant's personnel assigned to perform services under this Agreement become unavailable due to resignation, sickness or other factors outside of Consultant's control, Consultant shall be responsible for timely provision of adequately qualified replacements.

2. Payment.

For all services and incidental costs required hereunder, Consultant shall be paid in accordance with the following terms:

Consultant shall be paid a lump sum amount of **Eight Thousand Five Hundred and no/100 Dollars ($8,500)**, regardless of the number of hours or length of time necessary for Consultant to complete the services. Consultant shall not be entitled to any additional payment for any expenses incurred in completion of the services.

A breakdown of costs used to derive the lump sum amount, including but not limited to hourly rates, estimated travel expenses and other applicable rates, is specified in Exhibit A, attached hereto and incorporated herein by this reference.

Unless otherwise noted in this Agreement, payments shall be made within the normal course of County business after presentation of an invoice in a form approved by the County for services performed. Payments shall be made only upon the satisfactory completion of the services as determined by the County.

Pursuant to California Revenue and Taxation code (R&TC) Section 18662, the County shall withhold seven percent of the income paid to Consultant for services performed within the State of California under this agreement, for payment and reporting to the California Franchise Tax Board, if Consultant does not qualify as: (1) a corporation with its principal place of business in California, (2) an LLC or Partnership with a permanent place of business in California, (3) a corporation/LLC or Partnership qualified to do business in California by the Secretary of State, or (4) an individual with a permanent residence in the State of California.

If Consultant does not qualify, County requires that a completed and signed Form 587 be provided by the Consultant in order for payments to be made. If Consultant is qualified, then the County requires a completed Form 590. Forms 587 and 590 remain valid for the duration of the Agreement provided there is no material change in facts. By signing either form, the Consultant agrees to promptly notify the County of any changes in the facts. Forms should be sent to the County pursuant to Article 12. To reduce the amount withheld, Consultant has the option to provide County with either a full or partial waiver from the State of California.

3. Term of Agreement. The term of this Agreement shall be from **November 1, 2024 to December 31, 2024** unless terminated earlier in accordance with the provisions of Article 4 below.

4. Termination.

4.1 Termination Without Cause. Notwithstanding any other provision of this Agreement, at any time and without cause, County shall have the right, in its sole discretion, to terminate this Agreement by giving 5 days written notice to Consultant.

4.2 Termination for Cause. Notwithstanding any other provision of this Agreement, should Consultant fail to perform any of its obligations hereunder, within the time and in the manner herein provided, or otherwise violate any of the terms of this Agreement, County may immediately terminate this Agreement by giving Consultant written notice of such termination, stating the reason for termination.

4.3 Delivery of Work Product and Final Payment Upon Termination.
In the event of termination, Consultant, within 14 days following the date of termination, shall deliver to County all reports, original drawings, graphics, plans, studies, and other data or documents, in whatever form or format, assembled or prepared by Consultant or Consultant’s subcontractors, consultants, and other agents in connection with this Agreement and shall submit to County an invoice showing the services performed, hours worked, and copies of receipts for reimbursable expenses up to the date of termination.

4.4 Payment Upon Termination. Upon termination of this Agreement by County, Consultant shall be entitled to receive as full payment for all services satisfactorily rendered and reimbursable expenses properly incurred hereunder, an amount which bears the same ratio to the total payment specified in the Agreement as the services satisfactorily rendered hereunder by Consultant bear to the total services otherwise required to be performed for such total payment; provided, however, that if services which have been satisfactorily rendered are to be paid on a per-hour or per-day basis, Consultant shall be entitled to receive as full payment an amount equal to the number of hours or days actually worked prior to the termination times the applicable hourly or daily rate; and further provided, however, that if County terminates the Agreement for cause pursuant to Section 4.2, County shall deduct from such amount the amount of damage, if any, sustained by County by virtue of the breach of the Agreement by Consultant.

4.5 Authority to Terminate. The Board of Supervisors has the authority to terminate this Agreement on behalf of the County. In addition, the Purchasing Agent or Director of the Sonoma County Public Infrastructure, in consultation with County Counsel, shall have the authority to terminate this Agreement on behalf of the County.

5. Indemnification. Consultant agrees to accept all responsibility for loss or damage to any person or entity, including County, and to indemnify, hold harmless, and release County, its officers, agents, and employees, from and against any actions, claims, damages, liabilities, disabilities, or expenses, that may be asserted by any person or entity, including Consultant, that arise out of, pertain to, or relate to Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant agrees to provide a complete defense for any claim or action brought against County based upon a claim relating to such Consultant's or its agents', employees', contractors', subcontractors', or invitees' performance or obligations under this Agreement. Consultant's obligations under this Section apply whether or not there is concurrent or contributory negligence on County's part, but to the extent required by law, excluding liability due to County's conduct. County shall have the right to select its legal counsel at Consultant's expense, subject to Consultant's approval, which shall not be unreasonably withheld. This indemnification obligation is not limited in any way by any limitation on the amount or type of damages or compensation payable to or for Consultant or its agents under workers' compensation acts, disability benefits acts, or other employee benefit acts.

6. Insurance. With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain, insurance as described in Exhibit "B," which is attached hereto and incorporated herein by this reference.

7. Prosecution of Work. The execution of this Agreement shall constitute Consultant's authority to proceed immediately with the performance of this Agreement. Performance of the services hereunder shall be completed within the time required herein, provided, however, that if the performance is delayed by earthquake, flood, high water, or other Act of God or by strike, lockout, or similar labor disturbances, the time for Consultant's performance of this Agreement shall be extended by a number of days equal to the number of days Consultant has been delayed.

8. Extra or Changed Work. Extra or changed work or other changes to the Agreement may be authorized only by written amendment to this Agreement, signed by both parties. Minor changes, which do not exceed the delegated signature authority of the Director Sonoma County Public Infrastructure, and which do not significantly change the scope of work may be executed by the Director of Sonoma County Public Infrastructure in a form approved by County Counsel. The Board of Supervisors/Purchasing Agentmust authorize all other extra or changed work. The parties expressly recognize that, pursuant to Sonoma County Code Section 1-11, County personnel are without authorization to order extra or changed work or waive Agreement requirements. Failure of Consultant to secure such written authorization for extra or changed work shall constitute a waiver of any and all right to adjustment in the Agreement price or Agreement time due to such unauthorized work and thereafter Consultant shall be entitled to no compensation whatsoever for the performance of such work. Consultant further expressly waives any and all right or remedy by way of restitution and quantum meruit for any and all extra work performed without such express and prior written authorization of the County.

9. Representations of Consultant.

9.1 Standard of Care. County has relied upon the professional ability and training of Consultant as a material inducement to enter into this Agreement. Consultant hereby agrees that all its work will be performed and that its operations shall be conducted in accordance with generally accepted and applicable professional practices and standards as well as the requirements of applicable federal, state and local laws, it being understood that acceptance of Consultant's work by County shall not operate as a waiver or release.

9.2 Status of Consultant. The parties intend that Consultant, in performing the services specified herein, shall act as an independent contractor and shall control the work and the manner in which it is performed. Consultant is not to be considered an agent or employee of County and is not entitled to participate in any pension plan, worker's compensation plan, insurance, bonus, or similar benefits County provides its employees. In the event County exercises its right to terminate this Agreement pursuant to Article 4, above, Consultant expressly agrees that it shall have no recourse or right of appeal under rules, regulations, ordinances, or laws applicable to employees.

9.3 No Suspension or Debarment. Consultant warrants that it is not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in covered transactions by any federal department or agency. Consultant also warrants that it is not suspended or debarred from receiving federal funds as listed in the List of Parties Excluded from Federal Procurement or Non-procurement Programs issued by the General Services Administration. If the Consultant becomes debarred, consultant has the obligation to inform the County

9.4 Taxes. Consultant agrees to file federal and state tax returns and pay all applicable taxes on amounts paid pursuant to this Agreement and shall be solely liable and responsible to pay such taxes and other obligations, including, but not limited to, state and federal income and FICA taxes. Consultant agrees to indemnify and hold County harmless from any liability which it may incur to the United States or to the State of California as a consequence of Consultant's failure to pay, when due, all such taxes and obligations. In case County is audited for compliance regarding any withholding or other applicable taxes, Consultant agrees to furnish County with proof of payment of taxes on these earnings.

9.5 Records Maintenance. Consultant shall keep and maintain full and complete documentation and accounting records concerning all services performed that are compensable under this Agreement and shall make such documents and records available to County for inspection at any reasonable time. Consultant shall maintain such records for a period of four (4) years following completion of work hereunder.

9.6 Conflict of Interest. Consultant covenants that it presently has no interest and that it will not acquire any interest, direct or indirect, that represents a financial conflict of interest under state law or that would otherwise conflict in any manner or degree with the performance of its services hereunder. Consultant further covenants that in the performance of this Agreement no person having any such interests shall be employed. In addition, if requested to do so by County, Consultant shall complete and file and shall require any other person doing work under this Agreement to complete and file a "Statement of Economic Interest" with County disclosing Consultant's or such other person's financial interests.

9.7 Statutory Compliance/Living Wage Ordinance. Consultant agrees to comply with all applicable federal, state and local laws, regulations, statutes and policies, including but not limited to the County of Sonoma Living Wage Ordinance, applicable to the services provided under this Agreement as they exist now and as they are changed, amended or modified during the term of this Agreement. Without limiting the generality of the foregoing, Consultant expressly acknowledges and agrees that this Agreement [is/may be] subject to the provisions of Article XXVI of Chapter 2 of the Sonoma County Code, requiring payment of a living wage to covered employees. Noncompliance during the term of the Agreement will be considered a material breach and may result in termination of the Agreement or pursuit of other legal or administrative remedies.

9.8 Nondiscrimination. Without limiting any other provision hereunder, Consultant shall comply with all applicable federal, state, and local laws, rules, and regulations in regard to nondiscrimination in employment because of race, color, ancestry, national origin, religion, sex, marital status, age, medical condition, pregnancy, disability, sexual orientation or other prohibited basis, including without limitation, the County's Non-Discrimination Policy. All nondiscrimination rules or regulations required by law to be included in this Agreement are incorporated herein by this reference.

9.9 AIDS Discrimination. Consultant agrees to comply with the provisions of Chapter 19, Article II, of the Sonoma County Code prohibiting discrimination in housing, employment, and services because of AIDS or HIV infection during the term of this Agreement and any extensions of the term.

9.10 Assignment of Rights. Consultant assigns to County all rights throughout the world in perpetuity in the nature of copyright, trademark, patent, right to ideas, in and to all versions of the plans and specifications, if any, now or later prepared by Consultant in connection with this Agreement. Consultant agrees to take such actions as are necessary to protect the rights assigned to County in this Agreement, and to refrain from taking any action which would impair those rights. Consultant's responsibilities under this provision include, but are not limited to, placing proper notice of copyright on all versions of the plans and specifications as County may direct, and refraining from disclosing any versions of the plans and specifications to any third party without first obtaining written permission of County. Consultant shall not use or permit another to use the plans and specifications in connection with this or any other project without first obtaining written permission of County.

9.11 Ownership and Disclosure of Work Product. All reports, original drawings, graphics, plans, studies, and other data or documents ("documents"), in whatever form or format, assembled or prepared by Consultant or Consultant's subcontractors, consultants, and other agents in connection with this Agreement shall be the property of County. County shall be entitled to immediate possession of such documents upon completion of the work pursuant to this Agreement. Upon expiration or termination of this Agreement, Consultant shall promptly deliver to County all such documents, which have not already been provided to County in such form or format, as County deems appropriate. Such documents shall be and will remain the property of County without restriction or limitation. Consultant may retain copies of the above- described documents but agrees not to disclose or discuss any information gathered, discovered, or generated in any way through this Agreement without the express written permission of County.

9.12 Authority. The undersigned hereby represents and warrants that he or she has authority to execute and deliver this Agreement on behalf of Consultant.

10. Demand for Assurance. Each party to this Agreement undertakes the obligation that the other's expectation of receiving due performance will not be impaired. When reasonable grounds for insecurity arise with respect to the performance of either party, the other may in writing demand adequate assurance of due performance and until such assurance is received may, if commercially reasonable, suspend any performance for which the agreed return has not been received. "Commercially reasonable" includes not only the conduct of a party with respect to performance under this Agreement, but also conduct with respect to other agreements with parties to this Agreement or others. After receipt of a justified demand, failure to provide within a reasonable time, but not exceeding thirty (30) days, such assurance of due performance as is adequate under the circumstances of the particular case is a repudiation of this Agreement. Acceptance of any improper delivery, service, or payment does not prejudice the aggrieved party's right to demand adequate assurance of future performance. Nothing in this Article limits County's right to terminate this Agreement pursuant to Article 4.

11. Assignment and Delegation. Neither party hereto shall assign, delegate, sublet, or transfer any interest in or duty under this Agreement without the prior written consent of the other, and no such transfer shall be of any force or effect whatsoever unless and until the other party shall have so consented.

12. Method and Place of Giving Notice, Submitting Bills and Making Payments. All notices, bills, and payments shall be made in writing and shall be given by personal delivery or by U.S. Mail or courier service. Notices, bills, and payments shall be addressed as follows:

TO: COUNTY:	Sonoma County Public Infrastructure Attn: Real Estate Manager 400 Aviation Boulevard, Suite 100 Santa Rosa, CA 95403 TEL: (707) 565-2550
TO: CONSULTANT:	Cushman & Wakefield Western, Inc. Attn: Melissa J. Bach, MAI, CRE 425 Market Street, 23rd Floor San Francisco, CA 94105 TEL: (415) 658-3698

When a notice, bill or payment is given by a generally recognized overnight courier service, the notice, bill or payment shall be deemed received on the next business day. When a copy of a notice, bill or payment is sent by facsimile or email, the notice, bill or payment shall be deemed received upon transmission as long as (1) the original copy of the notice, bill or payment is promptly deposited in the U.S. mail and postmarked on the date of the facsimile or email (for a payment, on or before the due date), (2) the sender has a written confirmation of the facsimile transmission or email, and (3) the facsimile or email is transmitted before 5 p.m. (recipient's time). In all other instances, notices, bills and payments shall be effective upon receipt by the recipient. Changes may be made in the names and addresses of the person to whom notices are to be given by giving notice pursuant to this paragraph.

13. Miscellaneous Provisions.

13.1 No Waiver of Breach. The waiver by County of any breach of any term or promise contained in this Agreement shall not be deemed to be a waiver of such term or provision or any subsequent breach of the same or any other term or promise contained in this Agreement.

13.2 Construction. To the fullest extent allowed by law, the provisions of this Agreement shall be construed and given effect in a manner that avoids any violation of statute, ordinance, regulation, or law. The parties covenant and agree that in the event that any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remainder of the provisions hereof shall remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby. Consultant and County acknowledge that they have each contributed to the making of this Agreement and that, in the event of a dispute over the interpretation of this Agreement, the language of the Agreement will not be construed against one party in favor of the other. Consultant and County acknowledge that they have each had an adequate opportunity to consult with counsel in the negotiation and preparation of this Agreement.

13.3 Consent. Wherever in this Agreement the consent or approval of one party is required to an act of the other party, such consent or approval shall not be unreasonably withheld or delayed.

13.4 No Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create and the parties do not intend to create any rights in third parties.

13.5 Applicable Law and Forum. This Agreement shall be construed and interpreted according to the substantive law of California, regardless of the law of conflicts to the contrary in any jurisdiction. Any action to enforce the terms of this Agreement or for the breach thereof shall be brought and tried in Santa Rosa or the forum nearest to the city of Santa Rosa, in the County of Sonoma.

13.6 Captions. The captions in this Agreement are solely for convenience of reference. They are not a part of this Agreement and shall have no effect on its construction or interpretation.

13.7 Merger. This writing is intended both as the final expression of the Agreement between the parties hereto with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement, pursuant to Code of Civil Procedure Section 1856. No modification of this Agreement shall be effective unless and until such modification is evidenced by a writing signed by both parties.

13.8. Survival of Terms. All express representations, waivers, indemnifications, and limitations of liability included in this Agreement will survive its completion or termination for any reason.

13.9 Time of Essence. Time is and shall be of the essence of this Agreement and every provision hereof.

13.10. Counterpart; Electronic Signatures. The parties agree that this Agreement may be executed in two or more counterparts, each of which shall be deemed an original, and together which when executed by the requisite parties shall be deemed to be a complete original agreement. Counterparts may be delivered via facsimile, electronic mail (including PDF) or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered, be valid and effective for all purposes, and shall have the same legal force and effect as an original document. This Agreement, and any counterpart, may be electronically signed by each or any of the parties through the use of any commercially available digital and/or electronic signature software or other electronic signature method in compliance with the U.S. federal ESIGN Act of 2000, California's Uniform Electronic Transactions Act (Cal. Civil Code § 1633.1 et seq.), or other applicable law. By its use of any electronic signature below, the signing party agrees to have conducted this transaction and to execution of this Agreement by electronic means.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the Effective Date.

CONSULTANT: **Cushman & Wakefield Western, Inc.**

By: Melissa Bach

Name: Melissa Bach

Title: Executive Managing Director

Date: 11-5-24

COUNTY: **County of Sonoma**

CERTIFICATES OF INSURANCE REVIEWED, ON FILE, AND APPROVED AS TO SUBSTANCE FOR COUNTY:

By: ______________________

Date: ______________________

EXECUTED BY:

By: Johannes Hoevertsz

Johannes J. Hoevertsz, Director
Sonoma County Public Infrastructure

Date: Nov 5, 2024

By: Warren Sattler (Nov 5, 2024 16:21 PST)

C. Warren Sattler, Real Estate Manager, Sonoma County Public Infrastructure

Date: Nov 5, 2024

Exhibit "A"

SCOPE OF WORK

Melissa J. Bach, MAI, CRE
Executive Managing Director

Cushman & Wakefield Western, Inc.
425 Market Street, 23rd Floor
San Francisco, CA 94105
415.658.3698 Tel
Melissa.bach@cushwake.com

November 5, 2024

COUNTY OF SONOMA
c/o Ms. Alma Roger
400 Aviation Blvd, Suite 100
Santa Rosa, CA 95403

Re: **Appraisal Services**
3850 and 3880 Brickway Blvd
Santa Rosa, CA 95403

Dear Ms. Roger:

Thank you for requesting our proposal for appraisal services. This proposal letter will become, upon your acceptance, our letter of engagement to provide the services outlined herein.

TERMS OF ENGAGEMENT

I. PROBLEM IDENTIFICATION

The Parties to This Agreement: Cushman & Wakefield Western, Inc. ("C&W") and County of Sonoma (the "Client").

Intended Users: The appraisal will be prepared for the Client and is intended only for the use specified below. The appraisal may not be distributed to or relied upon by other persons or entities. The Client agrees that there are no other Intended Users.

Intended Use: Internal use by the Client for due diligence on pricing regarding the acquisition of the subject property.

Type of Opinion and Rights Appraised: Market value of the Leased Fee Interest.

Date of Value:

- Date of Inspection

Subject of the Assignment and Relevant Characteristics: The property to be appraised is as follows:

3850 and 3800 Brickway – APNs 059-360-008 and -007 (Sonoma County Assessor)

- Privately owned, Class A, R&D property, comprising 2 separate parcels:
  - 3850 Brickway - approximately 4.05 acres, improved with a two-story, concrete tilt-up commercial building with an area of approximately 63,720 sf; and
  - 3880 Brickway – containing approximately 3.71 acres, improved with a two-story, concrete tilt-up

commercial building with an area of approximately 63,865 sf

- Medtronics is currently leasing both parcels and has substantially moved their operations out of the buildings, but their lease runs thru March 2025.

Assignment Conditions: We do not anticipate the use of any hypothetical conditions. If any extraordinary assumptions are used, they will be clearly cited within the appraisal report.

II. ANTICIPATED SCOPE OF WORK

USPAP Compliance: C&W will develop appraisal in accordance with USPAP and the Code of Ethics and Certification Standards of the Appraisal Institute.

General Scope of Work:

- Property Inspection to the extent necessary to adequately identify the real estate;
- Research relevant market data, in terms of quantity, quality, and geographic comparability, to the extent necessary to produce credible appraisal results;
- Consider and develop those approaches relevant and applicable to the appraisal problem. We anticipate developing the following valuation approaches:
    - Sales Comparison Approach
    - Income Approach

III. REPORTING AND DISCLOSURE

Scope of Work Disclosure: The actual Scope of Work will be reported within the report.

Reporting Option: The appraisal will be communicated in an Appraisal Report.

IV. FEE, EXPENSES AND OTHER TERMS OF ENGAGEMENT

Fees: **$8,500**

Payment of the fee shall be due and payable upon delivery of the report.

The Client shall be solely responsible for C&W's fees and expenses hereunder. Acknowledgement of this obligation is made by the countersignature to this agreement by an authorized representative of the Client.

Additional Expenses: Fees quoted are inclusive of expenses related to the preparation of the report.

Retainer: A retainer is not required for this assignment in order to commence work.

Report Copies: The final report will be delivered in electronic format (via email).

Start Date: The appraisal process will initiate upon receipt of signed agreement, and assumes the timely receipt of any available requested property- specific data.

Acceptance Date: This proposal is subject to withdrawal if the engagement letter is not executed by the Client within three (3) business days.

Final Report Delivery: By November 15, 2024 assuming receipt of your written authorization to proceed by November 5, 2024, and assumes prompt receipt of necessary property information.

Changes to Agreement: The identity of the Client, Intended User(s) identified herein, or Intended Use identified herein; the date of value; type of value or interest appraised; or property appraised cannot be changed without a new agreement.

Prior Services Disclosure: USPAP requires disclosure of prior services performed by the individual appraiser within the three years prior to this assignment. Neither the undersigned appraiser, nor C&W, has provided prior valuation services within the designated time frame. However, C&W presently is the leasing agent for the 3880 Brickyard building.

Future Marketing Disclosure: Unless otherwise directed, at the conclusion of this engagement we may disclose that we have appraised the subject property in future marketing documents and materials.

Conflicts of Interest: C&W adheres to a strict internal conflict of interest policy. If we discover in the preparation of our appraisal a conflict with this assignment, we reserve the right to withdraw from the assignment without penalty.

Cancellation of Engagement: Client may cancel this agreement at any time prior to C&W's delivery of the appraisal report upon written notification to C&W. Client shall pay C&W for work completed on the assignment prior to C&W's receipt of written cancellation notice, unless otherwise agreed upon by C&W and Client in writing.

Withdrawal of Appraiser Prior to Completion of Assignment: C&W may withdraw without penalty or liability from the assignments contemplated under this agreement before completion or reporting of the appraisal in the event that C&W determines, at C&W's sole discretion, that insufficient information was provided to C&W prior to the engagement, that Client or other parties have not or cannot provide C&W with documentation or information necessary to C&W's analysis or reporting, that conditions of the subject property render the original scope of work in appropriate, that appraiser becomes aware that he or she lacks the competency needed for the assignment with the meaning of applicable professional standards, that a conflict of interest has arisen, or that the Client has not complied with its payment obligations under this agreement. C&W shall notify the Client of such withdrawal in writing.

Further Conditions of Engagement: The Conditions of Engagement attached hereto are incorporated herein and are part of this letter of engagement.

Thank you for calling on us to render these services and we look forward to working with you.

Sincerely,
CUSHMAN & WAKEFIELD WESTERN, INC.

Melissa Bach

Melissa J. Bach, MAI, CRE
Executive Managing Director

cc: Eric Stucky, MAI – Cushman & Wakefield

AGREED:
CLIENT: COUNTY OF SONOMA

By: Johannes Hoevertsz Date: 11/05/24
Johannes J. Hoevertsz

Title: Director, Sonoma County Public Infrastructure

E-mail Address: Johannes.Hoevertsz@Sonoma-County.org

Phone Number: 707.565-2550

Information Needed to Complete the Assignment

We understand that you will provide the following information for our review**, if available**.

Physical Information

- Plot plan/survey and legal description
- Building plans/leasing plan/stacking plan
- Property Conditions Assessment Report
- Original construction and site acquisition costs
- Cost of any major expansions, modifications or repairs incurred over the past three years/capital expense budget
- On Site Contact—name and phone number—for property inspection

Financial Information

- Income & Expense Statements for three previous years plus year-to-date
- Pro forma operating budgets
- Most recent real estate tax bill or statement
- Sales history of the subject property over the past three years at a minimum

Supporting Documentation

- Leases and/or detailed Lease Abstracts
- Detailed Rent Roll including:
    - Commencement and Expiration Dates and options to renew
    - Leased Area
    - Base Rent and contractual increases (CPI, fixed steps, etc.)
    - Expense Recapture or Pass-through provisions including applicable base year amounts
    - Overage or Percentage Rent breakpoints and percentages, as applicable
    - Tenant Improvement (TI) costs
    - Concessions (free rent, other)
- Summary of recently negotiated unexecuted leases or letters of intent
- Delinquency report identifying tenants in arrears or in default

Other Documentation

- Additional Information to be considered in the appraisal

CONDITIONS OF ENGAGEMENT

1) Each Intended User identified herein should consider the appraisal as only one factor together with its independent investment considerations and underwriting criteria in its overall investment decision. The appraisal cannot be used by any party or for any purpose other than the Intended User(s) identified herein for the Intended Use described herein.

2) Unless identified expressly in this agreement, there are no third-party beneficiaries of agreement pertaining to the appraisal, and no other person or entity shall have any right, benefit or interest under such agreement. The identification of a party as an intended user of the appraisal does not mean that the party is a third-party beneficiary of the agreement.

3) The appraisal report will be subject to our standard Assumptions and Limiting Conditions, which will be incorporated into the appraisal. All users of the appraisal report are specifically cautioned to understand the standard Assumptions and Limiting Conditions as well as any Extraordinary Assumptions and Hypothetical Conditions which may be employed by the appraiser and incorporated into the appraisal.

4) C&W shall have the right to utilize its affiliates in the performance of its services, provided that they comply with the obligations of C&W pursuant to this engagement.

5) The appraisal report or our name may not be used in any offering memoranda or other investment material without the prior written consent of C&W, which may be given at the sole discretion of C&W. Any such consent, if given, shall be conditioned upon our receipt of an indemnification agreement from a party satisfactory to us and in a form satisfactory to us. Furthermore, Client agrees to pay the fees of C&W's legal counsel for the review of the material which is the subject of the requested consent. C&W disclaims any and all liability with regard to the appraisal prepared pursuant to the engagement to any party other than the Intended User(s). Under no circumstances will C&W consent to the quote, reference or inclusion of the appraisal in connection with crowd funding activities. Further, crowd funding investors are specifically excluded from any class of Intended Users.

6) In the event the Client provides a copy of the appraisal to, or permits reliance thereon by, any party not identified herein as an Intended User, Client hereby agrees to indemnify and hold C&W, its affiliates and the respective shareholders, directors, officers and employees, harmless from and against all damages, expenses, claims and costs, including attorneys' fees, incurred in investigating and defending any claim arising from or in any way connected to the use of, or reliance upon, the appraisal by any such party.

7) The balance of the fee for the appraisal will be due upon delivery of a report. Payment of the fee is not contingent on the appraised value, a loan closing, or any other prearranged condition. Additional fees will be charged on an hourly basis for any work, which exceeds the scope of this proposal, including performing additional valuation scenarios, additional research and conference calls or meetings with any party, which exceed the time allotted by C&W for an assignment of this nature. If we are requested to stop working on this assignment, for any reason, prior to our completion of the appraisal, C&W will be entitled to bill the Client for the time expended to date at C&W's hourly rates for the personnel involved.

8) If C&W or any of its affiliates or any of their respective employees receives a subpoena or other judicial command to produce documents or to provide testimony involving this assignment in connection with a lawsuit or proceeding, C&W will use reasonable efforts to notify the Client of our receipt of same. However, if C&W or any of its affiliates are not a party to these proceedings, Client agrees to compensate C&W or its affiliate for the professional time and reimburse C&W or its affiliate for the actual expense that it incurs in responding to any such subpoena or judicial command, including attorneys' fees, if any, as they are incurred. C&W or its affiliate will be compensated at the then prevailing hourly rates of the personnel responding to the subpoena or command for testimony.

9) By signing this agreement Client expressly agrees that its sole and exclusive remedy for any and all losses or damages relating to this agreement or the appraisal shall be limited to the amount of the appraisal fee paid by the Client. In the event that the Client, or any other party entitled to do so, makes a claim against C&W or any of its affiliates or any of their respective officers or employees in connection with or in any way relating to this engagement or the appraisal, the maximum damages recoverable from C&W or any of its affiliates or their respective officers or employees shall be the amount of the monies actually collected by C&W or any of its affiliates for this assignment and under no circumstances shall any claim for consequential, indirect, special, punitive or liquidated damages be made.

10) C&W disclaims any and all liability to any party with regard to the appraisal report other than an Intended User identified herein.

11) The fees and expenses shall be due C&W as agreed in this letter. If it becomes necessary to place collection of the fees and expenses due C&W in the hands of a collection agent and/or an attorney (whether or not a legal action is filed) Client agrees to pay all fees and expenses including attorneys' fees incurred by C&W in connection with the collection or attempted collection thereof.

12) Unless the time period is shorter under applicable law, any legal action or claim relating to the appraisal or this agreement shall be filed in court (or in the applicable arbitration tribunal, if the parties to the dispute have executed an arbitration agreement) within two (2) years from the date of delivery to

Client of the appraisal report to which the claims or causes of action relate or, in the case of acts or conduct after delivery of the report, two (2) years from the date of the alleged acts or conduct. The time period stated in this section shall not be extended by any delay in the discovery or accrual of the underlying claims, causes of action or damages. The time period stated in this section shall apply to all non-criminal claims or causes of action of any type.

13) Notwithstanding that C&W may comment on, analyze or assume certain conditions in the appraisal, C&W shall have no monetary liability or responsibility for alleged claims or damages pertaining to: (a) title defects, liens or encumbrances affecting the property; (b) the property's compliance with local, state or federal zoning, planning, building, disability access and environmental laws, regulations and standards; (c) building permits and planning approvals for improvements on the property; (d) structural or mechanical soundness or safety; (e) contamination, mold, pollution, storage tanks, animal infestations and other hazardous conditions affecting the property; and (f) other conditions and matters for which licensed real estate appraisers are not customarily deemed to have professional expertise.

14) Legal claims or causes of action relating to the appraisal or this agreement are not assignable, except: (i) as the result of a merger, consolidation, sale or purchase of a legal entity, (ii) with regard to the collection of a bona fide existing debt for services but then only to the extent of the total compensation for the appraisal plus reasonable interest, or (iii) in the case of an appraisal performed in connection with the origination of a mortgage loan, as part of the transfer or sale of the mortgage before an event of default on the mortgage or note or its legal equivalent.

15) Each party represents and warrants to the other that it, and all persons and entities owning (directly or indirectly) an ownership interest in it: (a) are not, and will not become, a person or entity with whom a party is prohibited from doing business under regulations of the Office of Foreign Asset Control ("OFAC") of the Department of the Treasury (including, but not limited to, those named on OFAC's Specially Designated and Blocked Persons list) or under any statute, executive order or other governmental action; and (b) are not knowingly engaged in, and will not knowingly engage in, any dealings or transactions or be otherwise associated with such persons or entities described in clause (a) above.

16) Each party represents and warrants to the other that it (and any party acting on its behalf) has not, in order to enter into this agreement, offered, promised, authorized or made any payments or transfers of anything of value which have the purpose or effect of public or commercial bribery, kickbacks or other unlawful or improper means of doing business ("Prohibited Activity") and will not engage in Prohibited Activity during the term of this agreement. In the event of any violation of this section, the non-offending party shall be entitled to immediately terminate this agreement and take such other actions as are permitted or required to be taken under law or in equity.

Exhibit “B”

INSURANCE REQUIREMENTS

With respect to performance of work under this Agreement, Consultant shall maintain and shall require all of its subcontractors, consultants, and other agents to maintain insurance as described below unless such insurance has been expressly waived by the attachment of a *Waiver of Insurance Requirements*. Any requirement for insurance to be maintained after completion of the work shall survive this Agreement.

County reserves the right to review any and all of the required insurance policies and/or endorsements, but has no obligation to do so. Failure to demand evidence of full compliance with the insurance requirements set forth in this Agreement or failure to identify any insurance deficiency shall not relieve Consultant from, nor be construed or deemed a waiver of, its obligation to maintain the required insurance at all times during the performance of this Agreement.

<u>Workers Compensation and Employers Liability Insurance</u>

a. Required if Consultant has employees as defined by the Labor Code of the State of California.
b. Workers Compensation insurance with statutory limits as required by the Labor Code of the State of California.
c. Employers Liability with minimum limits of $1,000,000 per Accident; $1,000,000 Disease per employee; $1,000,000 Disease per policy.
d. *Required Evidence of Insurance*: Certificate of Insurance.

If Consultant currently has no employees as defined by the Labor Code of the State of California, Consultant agrees to obtain the above-specified Workers Compensation and Employers Liability insurance should employees be engaged during the term of this Agreement or any extensions of the term.

<u>General Liability Insurance</u>

a. Commercial General Liability Insurance on a standard occurrence form, no less broad than Insurance Services Office (ISO) form CG 00 01.
b. Minimum Limits: $1,000,000 per Occurrence; $2,000,000 General Aggregate; $2,000,000 Products/Completed Operations Aggregate. The required limits may be provided by a combination of General Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance. If Consultant maintains higher limits than the specified minimum limits, County requires and shall be entitled to coverage for the higher limits maintained by Consultant.
c. Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $100,000 it must be approved in advance by County. Consultant is responsible for any deductible or self-insured retention and shall fund it upon County’s written request, regardless of whether Consultant has a claim against the insurance or is named as a party in any action involving the County.
d. **County of Sonoma, its officers, agents and employees** shall be endorsed as additional insureds for liability arising out of operations by or on behalf of the Consultant in the performance of this Agreement.

- **e.** The insurance provided to the additional insureds shall be primary to, and non-contributory with, any insurance or self-insurance program maintained by them.
- **f.** The policy definition of "insured contract" shall include assumptions of liability arising out of both ongoing operations and the products-completed operations hazard (broad form contractual liability coverage including the "f" definition of insured contract in ISO form CG 00 01, or equivalent).
- **g.** The policy shall cover inter-insured suits between the additional insureds and Consultant and include a "separation of insureds" or "severability" clause which treats each insured separately.
- **h.** *Required Evidence of Insurance:*
  - **i.** Certificate of Insurance.

Automobile Liability Insurance

- **a.** Minimum Limit: $1,000,000 combined single limit per accident. The required limits may be provided by a combination of Automobile Liability Insurance and Commercial Excess or Commercial Umbrella Liability Insurance.
- **b.** Insurance shall cover all owned autos. If Consultant currently owns no autos, Consultant agrees to obtain such insurance should any autos be acquired during the term of this Agreement or any extensions of the term.
- **c.** Insurance shall cover hired and non-owned autos.
- **d.** *Required Evidence of Insurance*: Certificate of Insurance.

Professional Liability/Errors and Omissions Insurance

Minimum Limit: $1,000,000 per claim or per occurrence.

Any deductible or self-insured retention shall be shown on the Certificate of Insurance. If the deductible or self-insured retention exceeds $100,000 it must be approved in advance by County.

If the insurance is on a Claims-Made basis, the retroactive date shall be no later than the commencement of the work.

Coverage applicable to the work performed under this Agreement shall be continued for two (2) years after completion of the work. Such continuation coverage may be provided by one of the following: (1) renewal of the existing policy; (2) an extended reporting period endorsement; or (3) replacement insurance with a retroactive date no later than the commencement of the work under this Agreement.

Required Evidence of Insurance: Certificate of Insurance specifying the limits and the claims-made retroactive date.

Standards for Insurance Companies

Insurers, other than the California State Compensation Insurance Fund, shall have an A.M. Best's rating of at least A:VII.

Documentation

- **a.** The Certificate of Insurance must include the following reference: **Appraisal of 3850 and 3880 Brickway Boulevard, Santa Rosa, CA.**
- **b.** All required Evidence of Insurance shall be submitted prior to the execution of this Agreement. Consultant agrees to maintain current Evidence of Insurance on file with County for the entire term of this Agreement and any additional periods if specified in Sections 1 – 4 above.

c. The name and address for Additional Insured endorsements and Certificates of Insurance is: **County of Sonoma, its officers, agents and employees, in c/o Sonoma County Public Infrastructure, Attn: Real Estate Manager, 400 Aviation Boulevard, Suite 100, Santa Rosa, CA 95403, Email: SPI-RealEstate-Employees@sonoma-county.org**

d. Required Evidence of Insurance shall be submitted for any renewal or replacement of a policy that already exists, at least ten (10) days before expiration or other termination of the existing policy.

e. Consultant shall provide immediate written notice if: (1) any of the required insurance policies is terminated; (2) the limits of any of the required policies are reduced; or (3) the deductible or self-insured retention is increased.

f. Upon written request, certified copies of required insurance policies must be provided within thirty (30) days.

Policy Obligations

Consultant's indemnity and other obligations shall not be limited by the foregoing insurance requirements.

Material Breach

If Consultant fails to maintain insurance which is required pursuant to this Agreement, it shall be deemed a material breach of this Agreement. County, at its sole option, may terminate this Agreement and obtain damages from Consultant resulting from said breach. Alternatively, County may purchase the required insurance, and without further notice to Consultant, County may deduct from sums due to Consultant any premium costs advanced by County for such insurance. These remedies shall be in addition to any other remedies available to County.

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 12/29/2023

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must have ADDITIONAL INSURED provisions or be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER Aon UK Limited 122 Leadenhall Street London EC3V 4AN United Kingdom	CONTACT NAME: PHONE (A/C, No, Ext): FAX (A/C, No): E-MAIL ADDRESS:
INSURED Cushman & Wakefield U.S., Inc. 225 West Wacker Drive, Suite 3000 Chicago, IL 60606	

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A: See Attached	.
INSURER B:	
INSURER C:	
INSURER D:	
INSURER E:	
INSURER F:	

COVERAGES **CERTIFICATE NUMBER:** 1093676 **REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS. Limits shown are as requested

INSR LTR	TYPE OF INSURANCE	ADDL INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY CLAIMS-MADE OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: POLICY PRO-JECT LOC OTHER:						EACH OCCURRENCE	$
							DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
							GENERAL AGGREGATE	$
							PRODUCTS - COMP/OP AGG	$
								$
	AUTOMOBILE LIABILITY ANY AUTO OWNED AUTOS ONLY / SCHEDULED AUTOS HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						COMBINED SINGLE LIMIT (Ea accident)	$
							BODILY INJURY (Per person)	$
							BODILY INJURY (Per accident)	$
							PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR EXCESS LIAB / CLAIMS-MADE DED RETENTION $						EACH OCCURRENCE	$
							AGGREGATE	$
								$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below	N / A					PER STATUTE / OTH-ER	
							E.L. EACH ACCIDENT	$
							E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	E&O - MPL - Primary			PSDEF2300578 Claims-Made Policy; SIR applies per policy terms & conditions	12/31/2023	12/31/2024		Each Claim $2,000,000 Aggregate $2,000,000 SIR $ 350,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

Evidence of Insurance.
As respects Errors and Omissions Liability policy PSDEF2300578, Aon Risk Services Central, Inc. is generating and distributing this certificate in an administrative capacity. Aon UK Limited is the broker for the defined policy.

CERTIFICATE HOLDER **CANCELLATION** 23-24 C&W U.S./Cassidy E&O 1093676

Cushman & Wakefield U.S., Inc. 225 West Wacker Drive, Suite 3000 Chicago, IL 60606 USA	**SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.** AUTHORIZED REPRESENTATIVE

AGENCY CUSTOMER ID:

LOC #:

ADDITIONAL REMARKS SCHEDULE

AGENCY Aon UK Limited	NAMED INSURED See Below
POLICY NUMBER See Below	
CARRIER See Below / NAIC CODE	EFFECTIVE DATE: 12/31/2023 to 12/31/2024

ADDITIONAL REMARKS

THIS ADDITIONAL REMARKS FORM IS A SCHEDULE TO ACORD FORM,

FORM NUMBER: ACORD 25 **FORM TITLE:** Evidence of Professional Indemnity Insurance

PROFESSIONAL INDEMNITY COVERAGE – PRIMARY

NAMED INSUREDS:
Cushman & Wakefield, Inc.
Cushman & Wakefield U.S., Inc.
C&W Facility Services dba C&W Services
Cushman & Wakefield Solutions, LLC
Cushman & Wakefield ULC

Policy No. PSDEF2300578

Liberty Mutual Insurance Co. – 15.88%

Great Lakes Insurance SE (Munich RE Group) – 30%

XL Insurance Company SE – 15.88%

Greenwich Insurance Co. – 19.48%

Allied World Assurance Co. Ltd. Australia Branch – 14%

Lloyd’s of London Syndicate 1274 – 4.76%

Form **W-9**
(Rev. March 2024)
Department of the Treasury
Internal Revenue Service

Request for Taxpayer Identification Number and Certification

Go to *www.irs.gov/FormW9* for instructions and the latest information.

Give form to the requester. Do not send to the IRS.

Before you begin. For guidance related to the purpose of Form W-9, see *Purpose of Form*, below.

Print or type. See *Specific Instructions* on page 3.

1 Name of entity/individual. An entry is required. (For a sole proprietor or disregarded entity, enter the owner's name on line 1, and enter the business/disregarded entity's name on line 2.)

Cushman & Wakefield Western, Inc.

2 Business name/disregarded entity name, if different from above.

3a Check the appropriate box for federal tax classification of the entity/individual whose name is entered on line 1. Check only **one** of the following seven boxes.

☐ Individual/sole proprietor ☑ C corporation ☐ S corporation ☐ Partnership ☐ Trust/estate

☐ LLC. Enter the tax classification (C = C corporation, S = S corporation, P = Partnership) . . . . ________

Note: Check the "LLC" box above and, in the entry space, enter the appropriate code (C, S, or P) for the tax classification of the LLC, unless it is a disregarded entity. A disregarded entity should instead check the appropriate box for the tax classification of its owner.

☐ Other (see instructions) ________

3b If on line 3a you checked "Partnership" or "Trust/estate," or checked "LLC" and entered "P" as its tax classification, and you are providing this form to a partnership, trust, or estate in which you have an ownership interest, check this box if you have any foreign partners, owners, or beneficiaries. See instructions . . . . ☐

4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3):

Exempt payee code (if any) ________

Exemption from Foreign Account Tax Compliance Act (FATCA) reporting code (if any) ________

(Applies to accounts maintained outside the United States.)

5 Address (number, street, and apt. or suite no.). See instructions.

PO Box 9296

6 City, state, and ZIP code

New York, NY 10087-9296

Requester's name and address (optional)

7 List account number(s) here (optional)

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. See also *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number

_ _ _ – _ _ – _ _ _ _

or

Employer identification number

1 3 – 3 1 4 2 1 0 7

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and, generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here **Signature of U.S. person** Date 3/20/2024

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to *www.irs.gov/FormW9*.

What's New

Line 3a has been modified to clarify how a disregarded entity completes this line. An LLC that is a disregarded entity should check the appropriate box for the tax classification of its owner. Otherwise, it should check the "LLC" box and enter its appropriate tax classification.

New line 3b has been added to this form. A flow-through entity is required to complete this line to indicate that it has direct or indirect foreign partners, owners, or beneficiaries when it provides the Form W-9 to another flow-through entity in which it has an ownership interest. This change is intended to provide a flow-through entity with information regarding the status of its indirect foreign partners, owners, or beneficiaries, so that it can satisfy any applicable reporting requirements. For example, a partnership that has any indirect foreign partners may be required to complete Schedules K-2 and K-3. See the Partnership Instructions for Schedules K-2 and K-3 (Form 1065).

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS is giving you this form because they

PSA - Cushman-Wakefield 3850 & 3880 Brickway SR prop (for County sig)

Final Audit Report 2024-11-06

Created:	2024-11-06
By:	Alma Roger (Alma.Roger@sonoma-county.org)
Status:	Signed
Transaction ID:	CBJCHBCAABAAIGO7aUapl9JtB03nfQs-NLWPbpQdaEWI

"PSA - Cushman-Wakefield 3850 & 3880 Brickway SR prop (for County sig)" History

Document created by Alma Roger (Alma.Roger@sonoma-county.org)
2024-11-06 - 0:07:09 AM GMT- IP address: 209.77.204.154

Document emailed to Warren Sattler (Warren.Sattler@sonoma-county.org) for signature
2024-11-06 - 0:08:42 AM GMT

Email viewed by Warren Sattler (Warren.Sattler@sonoma-county.org)
2024-11-06 - 0:21:10 AM GMT- IP address: 104.47.65.254

Document e-signed by Warren Sattler (Warren.Sattler@sonoma-county.org)
Signature Date: 2024-11-06 - 0:21:20 AM GMT - Time Source: server- IP address: 209.77.204.154

Document emailed to Johannes Hoevertsz (johannes.hoevertsz@sonoma-county.org) for signature
2024-11-06 - 0:21:21 AM GMT

Email viewed by Johannes Hoevertsz (johannes.hoevertsz@sonoma-county.org)
2024-11-06 - 0:32:07 AM GMT- IP address: 107.115.29.45

Document e-signed by Johannes Hoevertsz (johannes.hoevertsz@sonoma-county.org)
Signature Date: 2024-11-06 - 0:32:29 AM GMT - Time Source: server- IP address: 172.225.89.70

Agreement completed.
2024-11-06 - 0:32:29 AM GMT

First Amendment
to
Professional Services Agreement ("PSA")
Revision G – October 2021

AGREEMENT FOR PROFESSIONAL SERVICES

This First Amendment (this "First Amendment") to Professional Services Agreement, dated as of November 21, 2024 ("Effective Date") to that certain Professional Services Agreement dated November 5, 2024 ("Services Agreement") is by and between the **County of Sonoma**, a political subdivision of the State of California (hereinafter "County"), and **Cushman & Wakefield Western, Inc.**, a California corporation (hereinafter "Consultant"). County and Consultant are collectively referred to herein as the "**Parties**," or individually as a "**Party**."

R E C I T A L S

WHEREAS, County and Consultant entered into that certain Agreement dated November 5, 2024; and the Parties acknowledge and understand that the County has employed the services of Consultant to provide an Opinion of Value of the commercial real property commonly known as 3850 and 3880 Brickway Boulevard, in Santa Rosa, California (APN 059-360-008 and 059-360-007) (the "Property"); and

WHEREAS, in the performance of the Agreement, Consultant has been and shall be provided with available and requested project-specific information and data by the County and County's broker, Keegan & Coppin Co., Inc. and the seller of the Property, amongst other sources of information and data; and

NOW, THEREFORE, in consideration of the foregoing recitals and the mutual covenants contained herein, the parties hereto agree as follows:

A G R E E M E N T

1. The foregoing Recitals are true and correct.

2. Section 1.5 is hereby added to the Agreement as follows:

1.5 Confidentiality. Consultant understands and hereby acknowledges that many aspects of County's ongoing real property negotiations are confidential, including, without limitation, the results of appraisals, inspections, testing, and other studies, the terms and conditions of any instruments being negotiated, and County's deliberations regarding relocation claims and other claims that may be levied against County through Consultant. Consultant acknowledges that property-specific documents provided to Consultant are strictly confidential ("Confidential Information") and may be distributed only as provided herein and pursuant to this Agreement. Consultant further understands and acknowledges that Consultant and its affiliates, agents, employees, subcontractors, and assigns, may, in the course of performing its obligations under the Agreement, obtain, have access to, or create material that must be held in confidence. Consultant, on behalf of itself and its affiliates, agents, employees, assigns, assistants, and all persons acting in concert with or at Consultant's direction (collectively, "Consultant's Personnel"), hereby covenants that Consultant and Consultant's Personnel shall: (1) maintain all records, files, and other information obtained, generated or retained in relation to the services performed under this Agreement in the strictest confidence, and in a secure manner; and (2) not release any reports, information, or other materials prepared by Consultant or in its possession in connection with this Agreement, whether deemed confidential or not, to any entity other than Consultant's Personnel (to the extent necessary to fully perform Consultant's obligations under the Agreement) and County without the prior written consent of County; and (3) not discuss discoveries or conclusions with any entity other than Consultant's Personnel (to the extent necessary to fully perform Consultant's obligations under the Agreement) and County without the prior written consent of County. It is understood and agreed that such appraisal, work product and Confidential Information are subject to possible disclosure to a duly authorized professional peer review committee of the Appraisal Institute which is a confidential process with no disclosure of such review permitted, or to a state enforcement or regulatory agency, pursuant to a professional audit or investigation which may not permit disclosure of such audit or investigation.

The term "Confidential Information" shall not apply to information which (i) is lawfully known by or in Consultant's possession prior to disclosure of such information by County; or (ii) is or becomes publicly available through no fault on the part of Consultant; or (iii) is independently and lawfully developed by Consultant with the disclosure of the information by the disclosing party to Consultant playing no part whatsoever in the development; or (iv) is disclosed to Consultant by a source which, to the actual knowledge of Consultant, is not under a confidentiality obligation to the disclosing party with regard to such information; or (v) is required to be disclosed by subpoena or court order or other legal compulsion.

3. Furthermore, Consultant agrees to be bound by and acknowledges the following:

A. Consultant acknowledges that County is under a Confidentiality Agreement with NCGRE INVESTMENT V, LLC, a Delaware limited liability company, who is the owner/seller of the Property;
B. Consultant agrees to be bound by the confidentiality requirements of the Services Agreement, as amended by this First Amendment.

C. Upon completion of Consultant's services, Consultant agrees to delete and destroy all electronic copies of any and all Confidential Information downloaded or received from the County in written form via the cloud, email or other means, including copies that are archived or backed up, and any other copies of Confidential Information that may be located in any other electronic systems or files, and to destroy any written copies of any Confidential Information that Consultant has received, created or printed; and

Consultant agrees to execute and deliver a certification to County, in a form certifying that Consultant has fully complied with these terms. Notwithstanding the foregoing, any obligation to return Confidential Information or destroy same does not extend to automatically generated computer back-up or archival copies generated in the ordinary course of Consultant's information systems procedures, provided that such copies continue to be subject to the terms hereof, which may be retained only in connection with the standards referenced immediately below. Furthermore, the appraisal and/or work product and that portion of Confidential Information relied upon in forming the valuation opinion or the work product is required to be retained in an appraiser's file by the Appraisal Institute's Standards of Professional Appraisal Practice and the Uniform Standards of Professional Appraisal Practice of The Appraisal Standards Board of The Appraisal Foundation.

IN WITNESS WHEREOF, the Parties hereto have executed this First Amendment and agreed to be bound thereto as of the Effective Date.

CONSULTANT:	**Cushman & Wakefield Western, Inc.**	COUNTY:	**County of Sonoma**
By:	Melissa Bach	By:	
	Melissa Bach, Executive Managing Director		Johannes J. Hoevertsz, Director Sonoma County Public Infrastructure
Date:	11-25-24	Date:	
		By:	
			C. Warren Sattler, Real Estate Manager, Sonoma County Public Infrastructure
		Date:	

Addendum C:
Preliminary Title Report

First American Title Insurance Company
National Commercial Services
333 W. Santa Clara Street, Ste. 220
San Jose, CA 95113-1714

Juliana Stamato, Esq.
Law Offices of Juliana Stamato
23801 Calabasas Road, Suite 1003A
Calabasas, CA 91302
Phone: (310)474-5222

Customer Reference:	3850 & 3880 Brickway Boulevard
Escrow Officer:	Carol M. Herrera
Phone:	(408)451-7829
Email:	cmherrera@firstam.com
Title Officer:	Michael D. Hickey
Phone:	(408)451-7905
Email:	mhickey@firstam.com
Property:	3850 & 3880 Brickway Boulevard, Santa Rosa, CA

PRELIMINARY REPORT

In response to the above referenced application for a policy of title insurance, this company hereby reports that it is prepared to issue, or cause to be issued, as of the date hereof, a Policy or Policies of Title Insurance describing the land and the estate or interest therein hereinafter set forth, insuring against loss which may be sustained by reason of any defect, lien or encumbrance not shown or referred to as an Exception below or not excluded from coverage pursuant to the printed Schedules, Conditions and Stipulations of said Policy forms.

The printed Exceptions and Exclusions from the coverage and Limitations on Covered Risks of said policy or policies are set forth in Exhibit A attached. *The policy to be issued may contain an arbitration clause. When the Amount of Insurance is less than that set forth in the arbitration clause, all arbitrable matters shall be arbitrated at the option of either the Company or the Insured as the exclusive remedy of the parties*. Limitations on Covered Risks applicable to the CLTA and ALTA Homeowner's Policies of Title Insurance which establish a Deductible Amount and a Maximum Dollar Limit of Liability for certain coverages are also set forth in Exhibit A. Copies of the policy forms should be read. They are available from the office which issued this report.

Please read the exceptions shown or referred to below and the exceptions and exclusions set forth in Exhibit A of this report carefully. The exceptions and exclusions are meant to provide you with notice of matters which are not covered under the terms of the title insurance policy and should be carefully considered.

It is important to note that this preliminary report is not a written representation as to the condition of title and may not list all liens, defects, and encumbrances affecting title to the land.

This report (and any supplements or amendments hereto) is issued solely for the purpose of facilitating the issuance of a policy of title insurance and no liability is assumed hereby. If it is desired that liability be assumed prior to the issuance of a policy of title insurance, a Binder or Commitment should be requested.

Dated as of October 09, 2024 at 7:30 A.M.

The form of Policy of title insurance contemplated by this report is:

ALTA Extended Loan Policy
ALTA Extended Owner Policy

A specific request should be made if another form or additional coverage is desired.

Title to said estate or interest at the date hereof is vested in:

NGCRE Investment V, LLC, a Delaware limited liability company

The estate or interest in the land hereinafter described or referred to covered by this Report is:

Fee as to Parcels One and Three; an Easement as to Parcels Two, Four and Five

The Land referred to herein is described as follows:

(See attached Legal Description)

At the date hereof exceptions to coverage in addition to the printed Exceptions and Exclusions in said policy form would be as follows:

1. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	$108,063.03, OPEN
Penalty:	$0.00
Second Installment:	$108,063.03, OPEN
Penalty:	$0.00
Tax Rate Area:	120015
A. P. No.:	059-360-007-000

(Affects Parcel One)

2. General and special taxes and assessments for the fiscal year 2024-2025.

First Installment:	$112,338.75, OPEN
Penalty:	$0.00
Second Installment:	$112,338.75, OPEN
Penalty:	$0.00
Tax Rate Area:	120015
A. P. No.:	059-360-008-000

(Affects Parcel Three)

3. The lien of supplemental taxes, if any, assessed pursuant to Chapter 3.5 commencing with Section 75 of the California Revenue and Taxation Code.

4. An easement for public utilities and incidental purposes, recorded December 18, 1987 as Instrument No. 87-114205 of Official Records.
   In Favor of: Airport Boulevard Business Park
   Affects: As described therein

5. Covenants, conditions, restrictions, easements, assessments, liens, charges, terms and provisions in the document recorded July 25, 1989 as Instrument No. 89-67491 of Official Records, which provide that a violation thereof shall not defeat or render invalid the lien of any first mortgage or deed of trust made in good faith and for value, but deleting any covenant, condition, or restriction, if any, indicating a preference, limitation, or discrimination based on race, color, religion, sex, gender, gender identity, gender expression, sexual orientation, familial status, marital status, disability, handicap, veteran or military status, genetic information, national origin, source of income as defined in subdivision (p) of Section 12955, or ancestry, to the extent that such covenants, conditions or restrictions violate applicable state or federal laws. Lawful restrictions under state and federal law on the age of occupants in senior housing or housing for older persons shall not be construed as restrictions based on familial status.

   Document(s) declaring modifications thereof recorded December 04, 1989 as Instrument No. 89-115946 of Official Records.

   Document(s) declaring modifications thereof recorded October 09, 1990 as Instrument No. 90-100412 of Official Records.

   Document(s) declaring modifications thereof recorded March 29, 1991 as Instrument No. 91-27718 of Official Records.

   Document(s) declaring modifications thereof recorded May 22, 1992 as Instrument No. 92-61495 of Official Records.

   Document(s) declaring modifications thereof recorded August 21, 1998 as Instrument No. 98-96774 of Official Records.

   Supplemental Declaration Regarding Annexation of Airport Business Center Phase VI to Covenants, Conditions and Restrictions of Airport Business Center recorded January 2, 2001 as Instrument No. 2001000235, Official Records.

   Supplemental Declaration Regarding Annexation of Vineyard Creek Apartments to Covenants, Conditions and Restrictions of Airport Business Center recorded April 29, 2005 as Instrument No. 2005058857, Official Records.

   Supplemental Declaration Regarding Annexation of Airport Business Center Phase VII to Covenants, Conditions and Restrictions of Airport Business Center recorded October 31, 2006 as Instrument No. 2006134138, Official Records.

   Supplemental Declaration Regarding Annexation of Airport Business Center Phase VIII (Conde) to Covenants, Conditions and Restrictions of Airport Business Center recorded October 31, 2006 as Instrument No. 2006134139, Official Records.

   Supplemental Declaration Regarding Annexation of Vineyard Creek Apartments to Covenants, Conditions and Restrictions of Airport Business Center recorded May 23, 2007 as Instrument No. 2007059144, Official Records.

Second Amendment to Covenants, Conditions and Restrictions of Airport Business Center recorded September 9, 2012 as Instrument No. 2012091807, Official Records.

6. An easement for avigation and clearance and incidental purposes, recorded September 23, 1993 as Instrument No. 93-120124 of Official Records.
   In Favor of: The County of Sonoma
   Affects: as described therein

   The location of the easement cannot be determined from record information.

7. An easement for public utilities and sidewalk and incidental purposes, recorded January 19, 2000 as Instrument No. 2000-5088 of Official Records.
   In Favor of: The County of Sonoma
   Affects: as described therein

8. An easement for public storm drain and incidental purposes, recorded January 19, 2000 as Instrument No. 2000-5089 of Official Records.
   In Favor of: The County of Sonoma
   Affects: as described therein

9. An easement for avigation and clearance and incidental purposes, recorded June 01, 2000 as Instrument No. 2000-53995 of Official Records.
   In Favor of: The County of Sonoma
   Affects: as described therein

   The location of the easement cannot be determined from record information.

10. An easement shown or dedicated on the map of Tract No. 1029 Airport-Brickway Subdivision recorded February 24, 2003 on file in Book 645, Page 8 through 12, of Tract Maps.
    For: Sidewalk, landscape, private access, water, storm drain and incidental purposes.

11. An easement for private access, water, storm drain, and sewer easements and incidental purposes, recorded March 05, 2003 as Instrument No. 2003-42394 of Official Records.
    In Favor of: Santa Rosa Airport Corporation Center II, LLC, a California limited liability company and Priscilla Ketscher
    Affects: as described therein

12. An easement for sidewalk and public utilities and incidental purposes, recorded April 16, 2004 as Instrument No. 2004-55182 of Official Records.
    In Favor of: The County of Sonoma
    Affects: As described therein

13. An easement for private water, private access, storm drain and sewer and incidental purposes, recorded November 30, 2004 as Instrument No. 2004-179094 of Official Records.
    In Favor of: Carisen Investments, et al
    Affects: As described therein

14. The terms, provisions and easement(s) contained in the document entitled "Santa Rosa Airport Corporate Center Easement Maintenance Agreement" recorded November 30, 2004 as Instrument No. 2004-179098 of Official Records.

15. Easements, Covenants and Conditions contained in the deed from G&W/Parkway Plaza, LLC, a California limited liability company, as Grantor, to Amerivine, Inc., a California corporation, as Grantee, recorded March 17, 2005 as Instrument No. 2005-35568 of Official Records. Reference being made to the document for full particulars.

16. Easements, Covenants and Conditions contained in the deed from G&W/Parkway Plaza, LLC, a California limited liability company, as Grantor, to Wheeler Properties, LLC, a California limited liability company, as Grantee, recorded March 17, 2005 as Instrument No. 2005-35569 of Official Records. Reference being made to the document for full particulars.

17. An easement for public utilities and incidental purposes, recorded April 11, 2006 as Instrument No. 2006042977 of Official Records.

In Favor of:	Pacific Bell Telephone Company, a California corporation doing business as SBC California, and Pacific Gas and Electric Company, a California corporation, their associated and affiliated companies, their successors, assigns, lessees and agents
Affects:	as described therein

18. A Deed of Trust to secure an original indebtedness of $17,700,000.00 recorded July 17, 2018 as Instrument No. 2018050858 of Official Records.

Dated:	July 17, 2018
Trustor:	NGCRE Investment V, LLC, a Delaware limited liability company
Trustee:	First American Title Insurance Company, a Nebraska corporation
Beneficiary:	Cantor Commercial Real Estate Lending, L.P., a Delaware limited partnership

A document entitled "Assignment of Leases and Rents" recorded July 17, 2018 as Instrument No. 2018050859 of Official Records, as additional security for the payment of the indebtedness secured by the deed of trust.

The beneficial interest in the Deed of Trust was assigned to Wells Fargo Bank, National Association, as Trustees for the benefit of the Registered Holders of UBS Commercial Mortgage Trust 2018-C13, Commercial Mortgage Pass-Through Certificates. Series 2018-C13 by mesne instruments of record, the last of which recorded November 06, 2018 as Instrument No. 2018076856

The interest of Cantor Commercial Real Estate Lending, L.P., a Delaware limited partnership under said Assignment of Assignment of Leases and Rents was purportedly assigned to Wells Fargo Bank, National Association, as Trustees for the benefit of the Registered Holders of UBS Commercial Mortgage Trust 2018-C13, Commercial Mortgage Pass-Through Certificates. Series 2018-C13 by document recorded November 06, 2018 as Instrument No. 2018076857 of Official Records.

19. A financing statement recorded July 17, 2018 as Instrument No. 2018050860 of Official Records.

Debtor:	NGCRE Investment V, LLC
Secured party:	Cantor Commercial Real Estate Lending, L.P.

According to the public records, the security interest of the secured party was assigned to Wells Fargo Bank, National Association, as Trustees for the benefit of the Registered Holders of UBS Commercial Mortgage Trust 2018-C13, Commercial Mortgage Pass-Through Certificates. Series 2018-C13 by document recorded November 06, 2018 as Instrument No. 2018076858 of Official Records.

A continuation statement was recorded February 10, 2023 as Instrument No. 2023005806 of Official Records.

20. Terms and provisions of an unrecorded lease dated March 1, 2005, by and between NGCRE Investment V, LLC, a Delaware limited liability company as lessor and Medtronic Vascular, Inc., a Delaware corporation as lessee, as disclosed by a Subordination, Non-Disturbance and Attornment Agreement recorded July 17, 2018 as Instrument No. 2018051219 of Official Records.

    A document recorded July 17, 2018 as Instrument No. 2018051219 of Official Records provides that the above document was subordinated to the document recorded July 17, 2018 as Instrument No. 2018050858 of Official Records.

21. Water rights, claims or title to water, whether or not shown by the Public Records.

22. Additional matters, if any, following review by the Company's Waterways and Boundaries Underwriters.

23. An ALTA/NSPS survey of recent date which complies with the current minimum standard detail requirements for ALTA/NSPS land title surveys.

24. Any facts, rights, interests or claims which would be disclosed by a correct ALTA/NSPS survey.

25. Rights of parties in possession.

INFORMATIONAL NOTES

ALERT - CA Senate Bill 2 imposes an additional fee of $75 up to $225 at the time of recording on certain transactions effective January 1, 2018. Please contact your First American Title representative for more information on how this may affect your closing.

1. According to the latest available equalized assessment roll in the office of the county tax assessor, there is located on the land a(n) Commercial Structure known as 3850 & 3880 Brickway Boulevard, Santa Rosa, CA.

2. According to the public records, there has been no conveyance of the land within a period of twenty-four months prior to the date of this report, except as follows:

   None

3. This preliminary report/commitment was prepared based upon an application for a policy of title insurance that identified land by street address or assessor's parcel number only. It is the responsibility of the applicant to determine whether the land referred to herein is in fact the land that is to be described in the policy or policies to be issued.

4. Should this report be used to facilitate your transaction, we must be provided with the following prior to the issuance of the policy:

   A. WITH RESPECT TO A CORPORATION:
      1. A certificate of good standing of recent date issued by the Secretary of State of the corporation's state of domicile.
      2. A certificate copy of a resolution of the Board of Directors authorizing the contemplated transaction and designating which corporate officers shall have the power to execute on behalf of the corporation.
      3. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
      4. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

   B. WITH RESPECT TO A CALIFORNIA LIMITED PARTNERSHIP:
      1. A certified copy of the certificate of limited partnership (form LP-1) and any amendments thereto (form LP-2) to be recorded in the public records;
      2. A full copy of the partnership agreement and any amendments;
      3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;
      4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
      5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

   C. WITH RESPECT TO A FOREIGN LIMITED PARTNERSHIP:
      1. A certified copy of the application for registration, foreign limited partnership (form LP-5) and any amendments thereto (form LP-6) to be recorded in the public records;
      2. A full copy of the partnership agreement and any amendment;
      3. Satisfactory evidence of the consent of a majority in interest of the limited partners to the contemplated transaction;

4. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
5. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

D. WITH RESPECT TO A GENERAL PARTNERSHIP:

1. A certified copy of a statement of partnership authority pursuant to Section 16303 of the California Corporation Code (form GP-I), executed by at least two partners, and a certified copy of any amendments to such statement (form GP-7), to be recorded in the public records;
2. A full copy of the partnership agreement and any amendments;
3. Requirements which the Company may impose following its review of the above material required herein and other information which the Company may require.

E. WITH RESPECT TO A LIMITED LIABILITY COMPANY:

1. A copy of its operating agreement and any amendments thereto;
2. If it is a California limited liability company, a certified copy of its articles of organization (LLC-1) and any certificate of correction (LLC-11), certificate of amendment (LLC-2), or restatement of articles of organization (LLC-10) to be recorded in the public records;
3. If it is a foreign limited liability company, a certified copy of its application for registration (LLC-5) to be recorded in the public records;
4. With respect to any deed, deed of trust, lease, subordination agreement or other document or instrument executed by such limited liability company and presented for recordation by the Company or upon which the Company is asked to rely, such document or instrument must be executed in accordance with one of the following, as appropriate:
   (i) If the limited liability company properly operates through officers appointed or elected pursuant to the terms of a written operating agreement, such documents must be executed by at least two duly elected or appointed officers, as follows: the chairman of the board, the president or any vice president, and any secretary, assistant secretary, the chief financial officer or any assistant treasurer;
   (ii) If the limited liability company properly operates through a manager or managers identified in the articles of organization and/or duly elected pursuant to the terms of a written operating agreement, such document must be executed by at least two such managers or by one manager if the limited liability company properly operates with the existence of only one manager.
5. A certificate of revivor and a certificate of relief from contract voidability issued by the Franchise Tax Board of the State of California.
6. Requirements which the Company may impose following its review of the above material and other information which the Company may require.

F. WITH RESPECT TO A TRUST:

1. A certification pursuant to Section 18100.5 of the California Probate Code in a form satisfactory to the Company.
2. Copies of those excerpts from the original trust documents and amendments thereto which designate the trustee and confer upon the trustee the power to act in the pending transaction.
3. Other requirements which the Company may impose following its review of the material require herein and other information which the Company may require.

G. WITH RESPECT TO INDIVIDUALS:

1. A statement of information.

The map attached, if any, may or may not be a survey of the land depicted hereon. First American Title Insurance Company expressly disclaims any liability for loss or damage which may result from reliance on this map except to the extent coverage for such loss or damage is expressly provided by the terms and provisions of the title insurance policy, if any, to which this map is attached.

LEGAL DESCRIPTION

Real property in the unincorporated area of the County of Sonoma, State of California, described as follows:

Parcel One:

Lot 2, as shown upon the map entitled "AIRPORT-BRICKWAY SUBDIVISION", filed February 24, 2003, in Book 645, at Pages 8-12, Sonoma County records.

Parcel Two:

Those certain private access, water, storm drain, and sewer easements over Lots 1, 3, and 4, and 15 foot, 17 foot, and 26 foot private access, water, storm drain and sewer easements over Lots 1, 3, and 4, as said easements and lots are shown on the above said map.

Parcel Three:

Lot 3, as shown upon the map entitled "AIRPORT-BRICKWAY SUBDIVISION", filed on February 24, 2003, in Book 645, at Pages 8-12, Sonoma County records.

EXCEPTING THEREFROM that portion as set forth in that certain Grant Deed to the County of Sonoma recorded April 16, 2004, under 2004-55182, Sonoma County records.

Parcel Four:

Those certain private access, water, storm drain and sewer easements over Lots 1, 2, and 4, and 15 foot, 17 foot, and 26 foot private access, water, storm drain and sewer easements over Lots 1, 2, and 4, as said easements and lots are shown on the above said map.

Parcel Five:

A general utility easement as granted and defined in the "Santa Rosa Corporate Center Easement Maintenance Agreement" recorded November 30, 2004 as Document No. 2004-179098 Sonoma County records.

APN: 059-360-007-000 (Affects Parcel One) and 059-360-008-000 (Affects Parcel Three)

NOTICE

Section 12413.1 of the California Insurance Code, effective January 1, 1990, requires that any title insurance company, underwritten title company, or controlled escrow company handling funds in an escrow or sub-escrow capacity, wait a specified number of days after depositing funds, before recording any documents in connection with the transaction or disbursing funds. This statute allows for funds deposited by wire transfer to be disbursed the same day as deposit. In the case of cashier's checks or certified checks, funds may be disbursed the next day after deposit. In order to avoid unnecessary delays of three to seven days, or more, please use wire transfer, cashier's checks, or certified checks whenever possible.

If you have any questions about the effect of this new law, please contact your local First American Office for more details.

Privacy Policy

We Are Committed to Safeguarding Customer Information
In order to better serve your needs now and in the future, we may ask you to provide us with certain information. We understand that you may be concerned about what we will do with such information - particularly any personal or financial information. We agree that you have a right to know how we will utilize the personal information you provide to us. Therefore, together with our parent company, The First American Corporation, we have adopted this Privacy Policy to govern the use and handling of your personal information.

Applicability
This Privacy Policy governs our use of the information which you provide to us. It does not govern the manner in which we may use information we have obtained from any other source, such as information obtained from a public record or from another person or entity. First American has also adopted broader guidelines that govern our use of personal information regardless of its source. First American calls these guidelines its *Fair Information Values*, a copy of which can be found on our website at www.firstam.com.

Types of Information
Depending upon which of our services you are utilizing, the types of nonpublic personal information that we may collect include:

- Information we receive from you on applications, forms and in other communications to us, whether in writing, in person, by telephone or any other means;
- Information about your transactions with us, our affiliated companies, or others; and
- Information we receive from a consumer reporting agency.

Use of Information
We request information from you for our own legitimate business purposes and not for the benefit of any nonaffiliated party. Therefore, we will not release your information to nonaffiliated parties except: (1) as necessary for us to provide the product or service you have requested of us; or (2) as permitted by law. We may, however, store such information indefinitely, including the period after which any customer relationship has ceased. Such information may be used for any internal purpose, such as quality control efforts or customer analysis. We may also provide all of the types of nonpublic personal information listed above to one or more of our affiliated companies. Such affiliated companies include financial service providers, such as title insurers, property and casualty insurers, and trust and investment advisory companies, or companies involved in real estate services, such as appraisal companies, home warranty companies, and escrow companies. Furthermore, we may also provide all the information we collect, as described above, to companies that perform marketing services on our behalf, on behalf of our affiliated companies, or to other financial institutions with whom we or our affiliated companies have joint marketing agreements.

Former Customers
Even if you are no longer our customer, our Privacy Policy will continue to apply to you.

Confidentiality and Security
We will use our best efforts to ensure that no unauthorized parties have access to any of your information. We restrict access to nonpublic personal information about you to those individuals and entities who need to know that information to provide products or services to you. We will use our best efforts to train and oversee our employees and agents to ensure that your information will be handled responsibly and in accordance with this Privacy Policy and First American's *Fair Information Values*. We currently maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard your nonpublic personal information.

CLTA/ALTA HOMEOWNER'S POLICY OF TITLE INSURANCE (02-03-10)
EXCLUSIONS

In addition to the Exceptions in Schedule B, You are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of those portions of any law or government regulation concerning:
   (a) building; (d) improvements on the Land;
   (b) zoning; (e) land division; and
   (c) land use; (f) environmental protection.
   This Exclusion does not limit the coverage described in Covered Risk 8.a., 14, 15, 16, 18, 19, 20, 23 or 27.
2. The failure of Your existing structures, or any part of them, to be constructed in accordance with applicable building codes. This Exclusion does not limit the coverage described in Covered Risk 14 or 15.
3. The right to take the Land by condemning it. This Exclusion does not limit the coverage described in Covered Risk 17.
4. Risks:
   (a) that are created, allowed, or agreed to by You, whether or not they are recorded in the Public Records;
   (b) that are Known to You at the Policy Date, but not to Us, unless they are recorded in the Public Records at the Policy Date;
   (c) that result in no loss to You; or
   (d) that first occur after the Policy Date - this does not limit the coverage described in Covered Risk 7, 8.e., 25, 26, 27 or 28.
5. Failure to pay value for Your Title.
6. Lack of a right:
   (a) to any land outside the area specifically described and referred to in paragraph 3 of Schedule A; and
   (b) in streets, alleys, or waterways that touch the Land.
   This Exclusion does not limit the coverage described in Covered Risk 11 or 21.
7. The transfer of the Title to You is invalid as a preferential transfer or as a fraudulent transfer or conveyance under federal bankruptcy, state insolvency, or similar creditors' rights laws.

LIMITATIONS ON COVERED RISKS

Your insurance for the following Covered Risks is limited on the Owner's Coverage Statement as follows: For Covered Risk 16, 18, 19, and 21 Your Deductible Amount and Our Maximum Dollar Limit of Liability shown in Schedule A.

Your Deductible Amount	**Our Maximum Dollar Limit of Liability**
Covered Risk 16: 1% of Policy Amount or $2,500.00 (whichever is less)	$10,000.00
Covered Risk 18: 1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 19: 1% of Policy Amount or $5,000.00 (whichever is less)	$25,000.00
Covered Risk 21: 1% of Policy Amount or $2,500.00 (whichever is less)	$5,000.00

ALTA RESIDENTIAL TITLE INSURANCE POLICY (6-1-87)
EXCLUSIONS

In addition to the Exceptions in Schedule B, you are not insured against loss, costs, attorneys' fees, and expenses resulting from:

1. Governmental police power, and the existence or violation of any law or government regulation. This includes building and zoning ordinances and also laws and regulations concerning:
   (a) and use
   (b) improvements on the land
   (c) and division
   (d) environmental protection
   This exclusion does not apply to violations or the enforcement of these matters which appear in the public records at Policy Date.
   This exclusion does not limit the zoning coverage described in Items 12 and 13 of Covered Title Risks.
2. The right to take the land by condemning it, unless:
   (a) a notice of exercising the right appears in the public records on the Policy Date
   (b) the taking happened prior to the Policy Date and is binding on you if you bought the land without knowing of the taking
3. Title Risks:

(a) that are created, allowed, or agreed to by you
(b) that are known to you, but not to us, on the Policy Date -- unless they appeared in the public records
(c) that result in no loss to you
(d) that first affect your title after the Policy Date -- this does not limit the labor and material lien coverage in Item 8 of Covered Title Risks

4. Failure to pay value for your title.
5. Lack of a right:
   (a) to any land outside the area specifically described and referred to in Item 3 of Schedule A OR
   (b) in streets, alleys, or waterways that touch your land
   This exclusion does not limit the access coverage in Item 5 of Covered Title Risks.

2006 ALTA LOAN POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   i. the occupancy, use, or enjoyment of the Land;
   ii. the character, dimensions, or location of any improvement erected on the Land;
   iii. the subdivision of land; or
   iv. environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

   b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   c. resulting in no loss or damage to the Insured Claimant;
   d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 13, or 14); or
   e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   a. a fraudulent conveyance or fraudulent transfer, or
   b. a preferential transfer for any reason not stated in Covered Risk 13(b) of this policy.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the Insured Mortgage in the Public Records. This Exclusion does not modify or limit the coverage provided under Covered Risk 11(b).

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an

accurate and complete land survey of the Land and not shown by the Public Records.

5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

2006 ALTA OWNER'S POLICY (06-17-06)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   i. the occupancy, use, or enjoyment of the Land;
   ii. the character, dimensions, or location of any improvement erected on the Land;
   iii. the subdivision of land; or
   iv. environmental protection;
   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5.

   b.Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 6.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters
   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at Date of Policy, but known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   c. resulting in no loss or damage to the Insured Claimant;
   d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 9 and 10); or
   e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Title.
4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction vesting the Title as shown in Schedule A, is
   a. a fraudulent conveyance or fraudulent transfer; or
   b. a preferential transfer for any reason not stated in Covered Risk 9 of this policy.
5. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching between Date of Policy and the date of recording of the deed or other instrument of transfer in the Public Records that vests Title as shown in Schedule A.

The above policy form may be issued to afford either Standard Coverage or Extended Coverage. In addition to the above Exclusions from Coverage, the Exceptions from Coverage in a Standard Coverage policy will also include the following Exceptions from Coverage:

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage (and the Company will not pay costs, attorneys' fees or expenses) that arise by reason of:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Any encroachment, encumbrance, violation, variation, or adverse circumstance affecting the Title that would be disclosed by an accurate and complete land survey of the Land and not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material not shown by the public records.

ALTA EXPANDED COVERAGE RESIDENTIAL LOAN POLICY (07-26-10)
EXCLUSIONS FROM COVERAGE

The following matters are expressly excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. Any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) restricting, regulating, prohibiting, or relating to

   i. the occupancy, use, or enjoyment of the Land;
   ii. the character, dimensions, or location of any improvement erected on the Land;
   iii. the subdivision of land; or
   iv. environmental protection;

   or the effect of any violation of these laws, ordinances, or governmental regulations. This Exclusion 1(a) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.

   b. Any governmental police power. This Exclusion 1(b) does not modify or limit the coverage provided under Covered Risk 5, 6, 13(c), 13(d), 14 or 16.
2. Rights of eminent domain. This Exclusion does not modify or limit the coverage provided under Covered Risk 7 or 8.
3. Defects, liens, encumbrances, adverse claims, or other matters

   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   c. resulting in no loss or damage to the Insured Claimant;
   d. attaching or created subsequent to Date of Policy (however, this does not modify or limit the coverage provided under Covered Risk 11, 16, 17, 18, 19, 20, 21, 22, 23, 24, 27 or 28); or
   e. resulting in loss or damage that would not have been sustained if the Insured Claimant had paid value for the Insured Mortgage.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business laws of the state where the Land is situated.
5. Invalidity or unenforceability in whole or in part of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury or any consumer credit protection or truth-in-lending law. This Exclusion does not modify or limit the coverage provided in Covered Risk 26.
6. Any claim of invalidity, unenforceability or lack of priority of the lien of the Insured Mortgage as to Advances or modifications made after the Insured has Knowledge that the vestee shown in Schedule A is no longer the owner of the estate or interest covered by this policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11.
7. Any lien on the Title for real estate taxes or assessments imposed by governmental authority and created or attaching subsequent to Date of Policy. This Exclusion does not modify or limit the coverage provided in Covered Risk 11(b) or 25.
8. The failure of the residential structure, or any portion of it, to have been constructed before, on or after Date of Policy in accordance with applicable building codes. This Exclusion does not modify or limit the coverage provided in Covered Risk 5 or 6.
9. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights laws, that the transaction creating the lien of the Insured Mortgage, is
   a. a fraudulent conveyance or fraudulent transfer, or
   b. a preferential transfer for any reason not stated in Covered Risk 27(b) of this policy.

2021 ALTA LOAN POLICY (7-1-21)
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
      i. the occupancy, use, or enjoyment of the Land;
      ii. the character, dimensions, or location of any improvement on the Land;
      iii. the subdivision of land; or
      iv. environmental remediation or protection.
   b. any governmental forfeiture, police, regulatory, or national security power.
   c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.

   Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   c. resulting in no loss or damage to the Insured Claimant;
   d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered

Risk 11, 13, or 14); or
   e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser or encumbrancer had been given for the Insured Mortgage at the Date of Policy.
4. Unenforceability of the lien of the Insured Mortgage because of the inability or failure of an Insured to comply with applicable doing-business law.
5. Invalidity or unenforceability of the lien of the Insured Mortgage that arises out of the transaction evidenced by the Insured Mortgage and is based upon usury law or Consumer Protection Law.
6. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction creating the lien of the Insured Mortgage is a:
   a. fraudulent conveyance or fraudulent transfer;
   b. voidable transfer under the Uniform Voidable Transactions Act; or
   c. preferential transfer:
      i. to the extent the Insured Mortgage is not a transfer made as a contemporaneous exchange for new value; or
      ii. for any other reason not stated in Covered Risk 13.b.
7. Any claim of a PACA-PSA Trust. Exclusion 7 does not modify or limit the coverage provided under Covered Risk 8.
8. Any lien on the Title for real estate taxes or assessments imposed by a governmental authority and created or attaching between the Date of Policy and the date of recording of the Insured Mortgage in the Public Records. Exclusion 8 does not modify or limit the coverage provided under Covered Risk 2.b. or 11.b.
9. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, geothermal resources, uranium, clay, rock, sand and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

2021 ALTA OWNER'S POLICY (7-1-21)
EXCLUSIONS FROM COVERAGE

The following matters are excluded from the coverage of this policy, and the Company will not pay loss or damage, costs, attorneys' fees, or expenses that arise by reason of:

1. a. any law, ordinance, permit, or governmental regulation (including those relating to building and zoning) that restricts, regulates, prohibits, or relates to:
      i. the occupancy, use, or enjoyment of the Land;
      ii. the character, dimensions, or location of any improvement on the Land;
      iii. the subdivision of land; or
      iv. environmental remediation or protection.
   b. any governmental forfeiture, police, regulatory, or national security power.
   c. the effect of a violation or enforcement of any matter excluded under Exclusion 1.a. or 1.b.
   Exclusion 1 does not modify or limit the coverage provided under Covered Risk 5 or 6.
2. Any power of eminent domain. Exclusion 2 does not modify or limit the coverage provided under Covered Risk 7.
3. Any defect, lien, encumbrance, adverse claim, or other matter:
   a. created, suffered, assumed, or agreed to by the Insured Claimant;
   b. not Known to the Company, not recorded in the Public Records at the Date of Policy, but Known to the Insured Claimant and not disclosed in writing to the Company by the Insured Claimant prior to the date the Insured Claimant became an Insured under this policy;
   c. resulting in no loss or damage to the Insured Claimant;
   d. attaching or created subsequent to the Date of Policy (Exclusion 3.d. does not modify or limit the coverage provided under Covered Risk 9 or 10); or
   e. resulting in loss or damage that would not have been sustained if consideration sufficient to qualify the Insured named in Schedule A as a bona fide purchaser had been given for the Title at the Date of Policy.

4. Any claim, by reason of the operation of federal bankruptcy, state insolvency, or similar creditors' rights law, that the transaction vesting the Title as shown in Schedule A is a:
   a. fraudulent conveyance or fraudulent transfer;
   b. voidable transfer under the Uniform Voidable Transactions Act; or
   c. preferential transfer:
      i. to the extent the instrument of transfer vesting the Title as shown in Schedule A is not a transfer made as a contemporaneous exchange for new value; or
      ii. for any other reason not stated in Covered Risk 9.b.
5. Any claim of a PACA-PSA Trust. Exclusion 5 does not modify or limit the coverage provided under Covered Risk 8.
6. Any lien on the Title for real estate taxes or assessments imposed or collected by a governmental authority that becomes due and payable after the Date of Policy. Exclusion 6 does not modify or limit the coverage provided under Covered Risk 2.b.
7. Any discrepancy in the quantity of the area, square footage, or acreage of the Land or of any improvement to the Land.

EXCEPTIONS FROM COVERAGE

This policy does not insure against loss or damage and the Company will not pay costs, attorneys' fees, or expenses resulting from the terms and conditions of any lease or easement identified in Schedule A, and the following matters:

1. (a) Taxes or assessments that are not shown as existing liens by the records of any taxing authority that levies taxes or assessments on real property or by the Public Records; (b) proceedings by a public agency that may result in taxes or assessments, or notices of such proceedings, whether or not shown by the records of such agency or by the Public Records.
2. Any facts, rights, interests, or claims that are not shown by the Public Records but that could be ascertained by an inspection of the Land or that may be asserted by persons in possession of the Land.
3. Easements, liens or encumbrances, or claims thereof, not shown by the Public Records.
4. Discrepancies, conflicts in boundary lines, shortage in area, encroachments, or any other facts which a correct survey would disclose, and which are not shown by the Public Records.
5. (a) Unpatented mining claims; (b) reservations or exceptions in patents or in Acts authorizing the issuance thereof; (c) water rights, claims or title to water, whether or not the matters excepted under (a), (b), or (c) are shown by the Public Records.
6. Any lien or right to a lien for services, labor or material unless such lien is shown by the Public Records at Date of Policy.
7. Any claim to (a) ownership of or rights to minerals and similar substances, including but not limited to ores, metals, coal, lignite, oil, gas, geothermal resources, uranium, clay, rock, sand and gravel located in, on, or under the Land or produced from the Land, whether such ownership or rights arise by lease, grant, exception, conveyance, reservation, or otherwise; and (b) any rights, privileges, immunities, rights of way, and easements associated therewith or appurtenant thereto, whether or not the interests or rights excepted in (a) or (b) appear in the Public Records or are shown in Schedule B.

Addendum D:
Comparable Improved Sale Data Sheets

IMPROVED SALE COMPARABLE 1

Address:	5500 East 2nd Street
City, State, Zip:	Benicia CA 94510
MSA:	Vallejo-Fairfield-Napa
County:	Solano
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	803182
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	4.02	Number of Buildings:	1
Site Area (Sq.Ft.):	175,111	Number of Stories:	2
Gross Bldg Area:	63,108	L:B Ratio:	2.77:1
Net Bldg Area:	63,108	Dock High Doors:	2
Year Built:	1987	Drive In Doors:	3
Last Renovation:	N/A	Percent Office:	N/A
Quality:	Average	Clear Height Min:	N/A
Condition:	Average	Clear Height Max:	22.0
Mezzanine:	No	Tenancy:	N/A
		Rail Access:	No

SALES INFORMATION

Status:	Offering	OAR:	N/A
Sale Listing Date:	10/2024	NOI:	N/A
Sale Price:	$16,000,000	NOI per Sq.Ft.:	N/A
Price per Sq.Ft.	$253.53	Occupancy:	0.00%
Value Interest:	Fee Simple	Expense Ratio:	N/A
Grantor:	Sam Sarkissian	EGIM:	N/A
Grantee:	Listing	Buying Entity:	N/A
Financing:	N/A	No. of Years Remaining on Primary Lease:	N/A
Condition of Sale:	N/A	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

CoStar / OM

COMMENTS

±63,108 square foot vacant Flex/R&D building located in Benicia. 1,600A power, backup power. ±17,039 lab space and cold rooms. The property has been on the market for over one year.

IMPROVED SALE COMPARABLE 2

Property Name:	Canyon Corporate Park II
Address:	4600-4650 Norris Canyon Road
City, State, Zip:	San Ramon CA 94583
MSA:	Oakland
County:	Contra Costa
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	803179
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	5.82	Number of Buildings:	1
Site Area (Sq.Ft.):	253,519	Number of Stories:	2
Gross Bldg Area:	96,535	L:B Ratio:	2.63:1
Net Bldg Area:	96,535	Dock High Doors:	N/A
Year Built:	1984	Drive In Doors:	2
Last Renovation:	2022	Percent Office:	N/A
Quality:	Average	Clear Height Min:	19.6
Condition:	Average	Clear Height Max:	19.6
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Closed Sale	OAR:	5.02%
Sale Date:	9/2024	NOI:	$1,736,920
Sale Price:	$34,600,000	NOI per Sq.Ft.:	$17.99
Price per Sq.Ft.	$358.42	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Norris Canyon Property Corp	EGIM:	N/A
Grantee:	Orion Ncr San Ramon Ca Llc	Buying Entity:	Investor
Financing:	N/A	No. of Years Remaining on Primary Lease:	N/A
Condition of Sale:	N/A	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Press Release; Public Record; Offering Memorandum

COMMENTS

Madison Marquette sold this 96,535 square foot R&D building to Orion Office REIT for $34.6 million, or $358.42 per square foot. The property was NNN leased to Valent USA at the time of sale, with 15.4 years remaining on their term. Recent capital improvements exceed $25M, or $256psf. Building features state of the art lab space with single-pass air flow, back-up power, interstitial HVAC, 2,000amp power, two -20C cold storage freezer rooms, and explosion-proof rooms. Credit tenant in place. Information about the transaction was verified by the broker. The cap rate has been estimated based on in-place NNN rent.

IMPROVED SALE COMPARABLE 3

Address:	350 Cobalt Way
City, State, Zip:	Sunnyvale CA 94085
MSA:	San Jose
County:	Santa Clara
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	803180
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	8.34	Number of Buildings:	1
Site Area (Sq.Ft.):	363,290	Number of Stories:	2
Gross Bldg Area:	134,218	L:B Ratio:	2.71:1
Net Bldg Area:	134,218	Dock High Doors:	4
Year Built:	1978	Drive In Doors:	0
Last Renovation:	2022	Percent Office:	N/A
Quality:	Average	Clear Height Min:	18.6
Condition:	Good	Clear Height Max:	18.6
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Closed Sale	OAR:	N/A
Sale Date:	1/2023	NOI:	N/A
Sale Price:	$31,005,000	NOI per Sq.Ft.:	N/A
Price per Sq.Ft.	$231.00	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Fujitsu America, Inc.	EGIM:	N/A
Grantee:	SFF 350 Cobalt, LLC	Buying Entity:	N/A
Financing:	N/A	No. of Years Remaining on Primary Lease:	N/A
Condition of Sale:	None	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

Publication; Public Record

COMMENTS

On 1/20/2023, Fujitsu America, Inc sold the 134,218 square foot office building at 350 Cobalt Way in Sunnyvale, CA. Fujitsu America, Inc will lease back the building on a short term basis (12mos). Information about the sale was confirmed by the broker and buyer.

IMPROVED SALE COMPARABLE 4

Property Name:	Piercy Business Park
Address:	5970 Optical Ct.
City, State, Zip:	San Jose CA 95138
County:	Santa Clara
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	803181
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	7.59	Number of Buildings:	1
Site Area (Sq.Ft.):	330,620	Number of Stories:	2
Gross Bldg Area:	128,520	L:B Ratio:	2.57:1
Net Bldg Area:	128,520	Dock High Doors:	2
Year Built:	2002	Drive In Doors:	2
Last Renovation:	N/A	Percent Office:	95.00%
Quality:	Good	Clear Height Min:	12.0
Condition:	Good	Clear Height Max:	15.0
Mezzanine:	No	Tenancy:	Single-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Closed Sale	OAR:	6.00%
Sale Date:	8/2021	NOI:	$1,889,250
Sale Price:	$31,487,500	NOI per Sq.Ft.:	$14.70
Price per Sq.Ft.	$245.00	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	G&I IX 5981 Optical LP	EGIM:	N/A
Grantee:	Peninsula Land & Capital LLC	Buying Entity:	Investor
Financing:	N/A	No. of Years Remaining on Primary Lease:	N/A
Condition of Sale:	N/A	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

CBRE

COMMENTS

Good quality office/R&D building with 95% office build out. Parking ratio is 4.00/1,000. Confirmed by the buyer, this is the sale of two Flex buildings totaling 239,763 square-feet for $63.545 million or about $265 per-square-foot. The buyer plans a long-term hold. The buyer reported a cap rate of 6.0%. Buyer 1031 upleg.

IMPROVED SALE COMPARABLE 5

Property Name:	Two Office/R&D Buildings
Address:	3500-3550 W. Warren Ave. 47200 Bayside Pkwy.
City, State, Zip:	Fremont CA 94538
MSA:	Oakland
County:	Alameda
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	624742
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	8.10	Number of Buildings:	2
Site Area (Sq.Ft.):	352,836	Number of Stories:	2
Gross Bldg Area:	115,537	L:B Ratio:	3.05:1
Net Bldg Area:	115,537	Dock High Doors:	N/A
Year Built:	1986	Drive In Doors:	3
Last Renovation:	N/A	Percent Office:	70.00%
Quality:	Good	Clear Height Min:	12.0
Condition:	Good	Clear Height Max:	12.0
Mezzanine:	No	Tenancy:	Multi-Tenant
		Rail Access:	No

SALES INFORMATION

Status:	Recorded Sale	OAR:	7.00%
Deed Reference:		NOI:	$2,261,000
Sale Date:	4/2021	NOI per Sq.Ft.:	$19.57
Sale Price:	$32,300,000	Occupancy:	100.00%
Price per Sq.Ft.	$279.56	Expense Ratio:	N/A
Value Interest:	Leased Fee	EGIM:	N/A
Grantor:	TA Realty	Buying Entity:	Investor
Grantee:	Kennedy Wilson Properties	No. of Years Remaining on Primary Lease:	N/A
Financing:	N/A	Investment Grade Credit:	N/A
Condition of Sale:	Arm's Length	Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

press release, public records

COMMENTS

Investor purchase of two office/R&D buildings located in the Bayside Tech Park in Fremont. Tenants include Intuit Medical and Mercury Systems. 3500 West Warren Avenue is a 61,824-square-foot single-story building, serves as the headquarters for Intuity Medical, a leading life science medical device company. 47200 Bayside Parkway is a 53,713-square-foot partial two-story building fully leased to Mercury Systems. The lease for Bayside expires in 2 years.

IMPROVED SALE COMPARABLE 6

Property Name:	JDSU Industrial Campus
Address:	2789 Northpoint Parkway Building F
City, State, Zip:	Santa Rosa CA 95407
County:	Sonoma
Submarket:	
Property Type:	Industrial
Property Subtype:	Research and Development (R&D)
Classification:	N/A
ID:	803183
Tax Number(s):	N/A

PROPERTY INFORMATION

Site Area (Acres):	4.74	Number of Buildings:	1
Site Area (Sq.Ft.):	206,474	Number of Stories:	1
Gross Bldg Area:	46,240	L:B Ratio:	4.47:1
Net Bldg Area:	46,240	Dock High Doors:	0
Year Built:	1984	Drive In Doors:	0
Last Renovation:	N/A	Percent Office:	N/A
Quality:	Average	Clear Height Min:	N/A
Condition:	Average	Clear Height Max:	N/A
Mezzanine:	No	Tenancy:	N/A
		Rail Access:	No

SALES INFORMATION

Status:	Closed Sale	OAR:	6.50%
Sale Date:	1/2020	NOI:	$608,530
Sale Price:	$9,362,000	NOI per Sq.Ft.:	$13.16
Price per Sq.Ft.	$202.47	Occupancy:	100.00%
Value Interest:	Leased Fee	Expense Ratio:	N/A
Grantor:	Patriot Northpoint II REFI, LLC	EGIM:	N/A
Grantee:	ARG VSSRACA003, LLC	Buying Entity:	Investor
Financing:	N/A	No. of Years Remaining on Primary Lease:	12.0
Condition of Sale:	N/A	Investment Grade Credit:	N/A
		Investment Grade Credit Rating:	N/A

VERIFICATION COMMENTS

CoStar

COMMENTS

This transaction represents the sale of a single tenant leased flex R&D building. The 46,082 square foot one-story building was constructed in 1984 and sits on 9.95 acres in Santa Rosa, CA. The buyer ARG VSSRACA003, LLC purchased the investment from Patriot Northpoint II REFI LLC for $9.362M which equates to about $203 per square foot. The net operating income is $608,530 yielding a cap rate of 6.5%. There are 12 years remaining on the lease, the escrow period was about 6 months and no brokers were involved.

Addendum E:
Qualifications of the Appraisers

CUSHMAN & WAKEFIELD

Jason W. Garlock, MAI Executive Director

Valuation & Advisory
Cushman & Wakefield Western, Inc.

Professional Expertise

Jason W. Garlock is an Executive Director with Cushman & Wakefield Western, Inc. Valuation & Advisory group in San Francisco. In this role, he performs appraisal and consulting services throughout Northern California on various types of existing and proposed properties. Property types include industrial facilities, corporate headquarter campuses, office complexes, retail centers, apartments, low income housing tax credit apartments, vacant land and residential subdivisions. The intended use of these assignments is for mortgage lending, corporate advisory, off-balance sheet financing, disposition, acquisition, tax appeal, litigation and rent arbitration.

Prior to becoming a Senior Director at Cushman & Wakefield Western, Inc. in 2014, Mr. Garlock was a Senior Associate at the San Francisco appraisal firm Hamilton, Ricci & Associates from 2011 to 2013. Before returning to valuation in 2011, Mr. Garlock was the co-founder and Managing Partner of a real estate investment company in the San Francisco Bay Area. The business focused on repositioning opportunities, merchant banking and company related brokerage. He began his appraisal career as an Associate at Cushman & Wakefield where he worked in the Valuation & Advisory group from 2003 to 2007.

Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #449987), As of the current date, Jason Garlock, MAI has completed the requirements of the continuing education program of the Appraisal Institute
- Certified General Real Estate Appraiser in the following state:
  - California – AG035693
- Real Estate Broker License, State of California (No. 01879073)
- Master of Business Administration, University of San Francisco
- Bachelor of Arts, University of California Santa Barbara

CALIFORNIA

Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS

REAL ESTATE APPRAISER LICENSE

Jason W. Garlock

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 035693

Effective Date: November 24, 2022

Date Expires: November 23, 2024

Angela Jemmott, Bureau Chief, BREA

3068429

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

CUSHMAN & WAKEFIELD

Melissa Bach, MAI, CRE Executive Managing Director

National Practice Lead
Dispute Analysis & Litigation Support
Valuation & Advisory
Cushman & Wakefield Western, Inc.

Professional Expertise

Melissa Bach, MAI, CRE joined Cushman & Wakefield Western, Inc. in January 2013. Ms. Bach is currently the U.S. National Lead for the Dispute Analysis & Litigation Support practice with the Valuation & Advisory group. Previously she was the Market Lead for the Pacific Northwest Region, which included the states of Alaska, Washington, Oregon, California, Idaho, Montana, Wyoming, Nevada, Utah, Colorado, and Hawaii. Prior to joining Cushman & Wakefield, Ms. Bach was with Carneghi-Blum & Partners Inc. from 1988-2012, where she was a Managing Partner in their San Francisco and Walnut Creek offices.

Ms. Bach has been a commercial real estate professional in appraisal, valuation and real estate economics since 1988. Her valuation and consulting assignments have included a wide variety of property types including residential projects (single and multi-family land, subdivisions and master-planned communities), industrial parks, small to large-scale industrial facilities, office buildings (all classes), retail centers, medical office, mixed-use properties and a wide variety of development sites. Clients include financial institutions, federal state, county and municipal agencies and governments, property owners, developers, REITs, law firms, domestic and foreign investment firms, and insurance companies.

She has specialized knowledge and experience having completed appraisals and provided consulting analyses on projects including affordable housing developments financed with bond financing and/or Low Income Housing Tax Credits (LIHTCs), conservation easements, wetlands, submerged tidelands, airport facilities, port facilities, cold storage, highest and best use land analyses, easements, and condemnation properties.

Ms. Bach has provided litigation support and been qualified as an expert witness in court, providing analyses for complex litigation, eminent domain, bankruptcy, and specialized projects. She has also acted as an arbitrator in resolving matters on issues of real estate values, ground rents, space lease renewals and related issues. She has been qualified as a real estate expert and provided testimony in various Superior Courts, United States Bankruptcy Courts, Superior Court of Justice (Canada), and before the American Arbitration Association. She is a senior member of the Dispute Analysis & Litigation Support (DALS) group with Cushman & Wakefield.

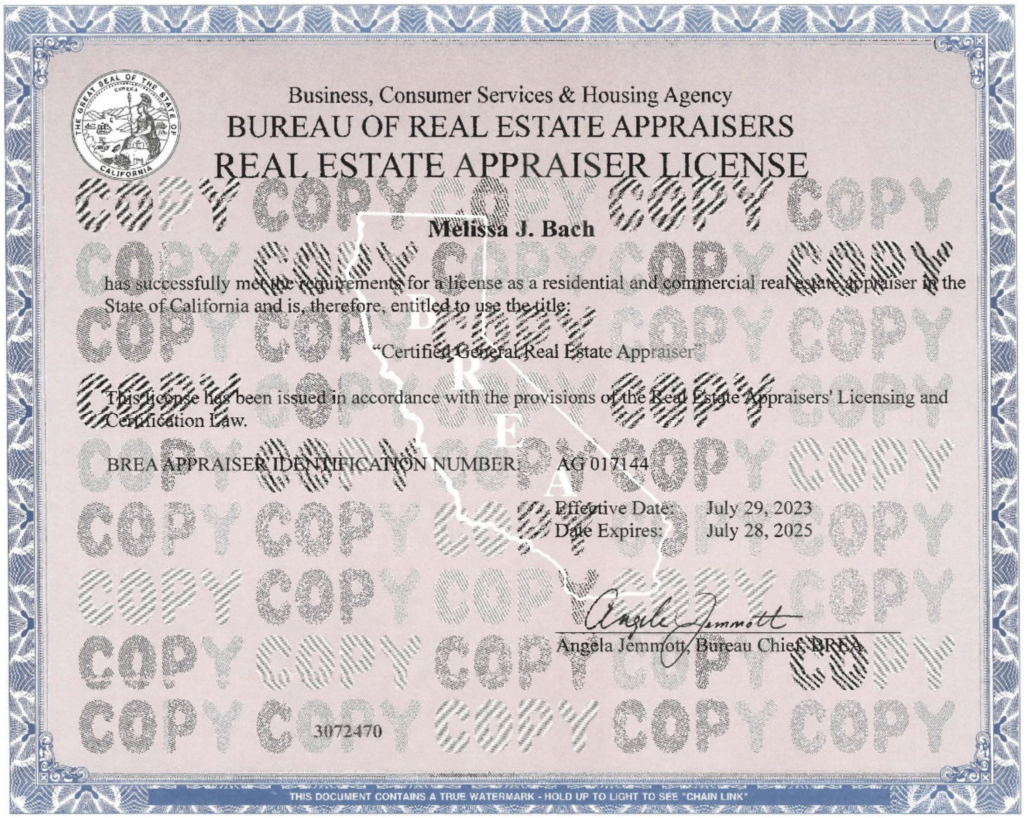
Memberships, Licenses, Professional Affiliations and Education

- Designated Member, Appraisal Institute (MAI #11930). As of the current date, Melissa Bach, MAI has completed the requirements of the continuing education program of the Appraisal Institute.
- Member, Counselors of Real Estate (CRE designation)
  - Member Editorial Board of *Real Estate Issues*
- Certified General Real Estate Appraiser in the following states:
  - California – AG017144
  - Colorado – CG200003180
  - Hawaii – CGA-1489
  - Idaho – CGA-6003
  - Minnesota - 40775779
  - Nevada – A.0207892-CG
  - Oregon – C001324
  - Utah – 12372874-CG00
  - Washington – 1102560
- Bachelor of Arts, Wellesley College
- Appraisal Institute Service
  - National Government Relations Committee (2022-present)
  - California Government Relations Subcommittee (2014-present; Chair 2017-2018)
  - Region 1 Representative (2008-2012, 2021-present)
  - President, Northern California Chapter (2012)

Speaking Engagements

- Speaker*, The Path to Competence in Litigation Work: Benefits and Pitfalls*, Northern California Chapter of the Appraisal Institute 2023 Spring Litigation Conference, Oakland, California, May 2023
- Panelist, "*Ask the Experts", 2019 Fall Conference,* Northern California Chapter of the Appraisal Institute; South San Francisco, California October 2019
- Speaker, "*Restricted Appraisal Reports: The Changes Appraisers Need to Know*", Northern California Chapter of the Appraisal Institute; Dublin, California May 2019 and South San Francisco, California October 2019.
- Speaker, "*Valuation of Airport Properties", 2016 Commercial Symposium: Appraising Unique and Special Purpose Properties,* Northern California Chapter of the Appraisal Institute; Oakland, California December 2016.
- Speaker, *Real Estate Valuation: Overview & Applications*, Buchalter Nemer PC; Phoenix, Arizona May 2016.
- Speaker, *Recent Court Decisions Affecting Real Estate Valuation*; Southern California Chapter of the Appraisal Institute; Los Angeles, November 2015
- Panelist, *Finding the Sweet Spot in the Commercial Marketplace*, Fisher Center for Real Estate and Urban Economics, Real Estate & Economics Symposium, San Francisco, November 2012.
- Speaker, *Valuation of Affordable Housing*, Northern California Chapter of the Appraisal Institute, Oakland, September 2011.
- Speaker, *Affordable Housing Valuation*, Northern California Chapter of the Appraisal Institute, Oakland, April 2008.
- Speaker, *The Financing of Affordable Housing*, Northern California Chapter of the Appraisal Institute, Pleasanton, March 2004

CALIFORNIA



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Melissa J. Bach

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

"Certified General Real Estate Appraiser"

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 017144

Effective Date: July 29, 2023
Date Expires: July 28, 2025

Angela Jemmott, Bureau Chief, BREA

3072470

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

COLORADO

Melissa J Bach
1333 N California Blvd, Ste 500
Walnut Creek, CA 94596

State of Colorado
Department of Regulatory Agencies
Division of Real Estate

Board of Real Estate Appraisers

Melissa J Bach

Certified General Appraiser

Director: Marcia Waters

License #: CG200003180
Status: Active
Expires: 12/31/2024

For the most up to date information regarding this credential, visit http://dora.colorado.gov/dre

HAWAII

STATE OF HAWAII

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS PROFESSIONAL AND VOCATIONAL LICENSING DIVISION STATE OF HAWAII

CERTIFIED GENERAL APPRAISER

This is to Certify that

Melissa J Bach

has been duly licensed as a/an

CERTIFIED GENERAL APPRAISER

In the State of Hawaii on

April 5, 2022

This license shall be in full force and effect only as long as it is supported by a current license identification card.

No. 1489

Director

THIS LICENSE MUST BE DISPLAYED AT PLACE OF BUSINESS AND IS NOT TRANSFERABLE OR ASSIGNABLE.

IDAHO

Division of Occupational and Professional Licenses

Department of Self Governing Agencies

The person named has met the requirements for licensure and is entitled under the laws and rules of the State of Idaho to operate as a(n)

CERTIFIED GENERAL APPRAISER

MELISSA JILL BACH
425 MARKET ST SUITE 2300
SAN FRANCISCO CA 94105

Russell S. Barron	CGA-6003	07/28/2024
Division Admin	Number	Expires

NEVADA

APPRAISER CERTIFICATE

STATE OF NEVADA DEPARTMENT OF BUSINESS AND INDUSTRY

NOT TRANSFERABLE **REAL ESTATE DIVISION** **NOT TRANSFERABLE**

This is to Certify That : MELISSA BACH **Certificate Number:** A.0207892-CG

Is duly authorized to act as a CERTIFIED GENERAL APPRAISER **from the issue date to the expiration date at the business address stated here in, unless the certificate is sooner revoked, cancelled, withdrawn, or invalidated.**

Issue Date: February 28, 2023 **Expire Date:** March 31, 2025

In witness whereof, THE DEPARTMENT OF BUSINESS AND INDUSTRY, REAL ESTATE DIVISION, by virtue of the authority vested in Chapter 645C of the Nevada Revised Statues, has caused this Certificate to be issued with its Seal printed thereon. This certificate must be conspicuously displayed in place of business.

FOR: CUSHMAN & WAKEFIELD
425 MARKET STREET, SUITE 2300
SAN FRANCISCO, CA 94105

REAL ESTATE DIVISION

SHARATH CHANDRA
Administrator

MINNESOTA

STATE OF MINNESOTA

MELISSA JILL BACH
PO BOX 30173
WALNUT CREEK, CA 94598

Department of Commerce

The Undersigned COMMISSIONER OF COMMERCE for the State of Minnesota hereby certifies that

Melissa Jill Bach

PO BOX 30173
WALNUT CREEK, CA 94598

has complied with the laws of the State of Minnesota and is hereby licensed to transact the business of

Non-Resident Appraiser : Certified General

License Number: 40775779

unless this authority is suspended, revoked, or otherwise legally terminated. This license shall be in effect until August 31, 2025.

IN TESTIMONY WHEREOF, I have hereunto set my hand this September 01, 2023.

COMMISSIONER OF COMMERCE

Minnesota Department of Commerce

Licensing Division
85 7th Place East, Suite 500
St. Paul, MN 55101-3165
Telephone: (651) 539-1599
Email: licensing.commerce@state.mn.us
Website: commerce.state.mn.us

Notes:

- **Individual Licensees Only - Continuing Education:** 15 hours is required in the first renewal period, which includes a 7 hour USPAP course. 30 hours is required for each subsequent renewal period, which includes a 7 hour USPAP course.
- **Appraisers:** You must hold a licensed Residential, Certified Residential, or Certified General qualification in order to perform appraisals for federally-related transactions. **Trainees do not qualify.** For further details, please visit our website at commerce.state.mn.us.

OREGON

Appraiser Certification and Licensure Board

State Certified General Appraiser

28 hours of continuing education required

MELISSA J BACH
CUSHMAN & WAKEFIELD
1333 N CALIFORNIA BLVD, STE 500
WALNUT CREEK, CA 94596

License No.: C001324
Issue Date: August 01, 2023
Expiration Date: July 31, 2025

Chad Koch, Administrator

UTAH

STATE OF UTAH
DEPARTMENT OF COMMERCE
DIVISION OF REAL ESTATE

ACTIVE LICENSE

DATE ISSUED: 08/15/2022

EXPIRATION DATE: 08/31/2024

LICENSE NUMBER: 12472874-CG00

LICENSE TYPE: Certified General Appraiser

ISSUED TO: MELISSA BACH
425 MARKET ST
STE 2300
SAN FRANCISCO CA 94105

SIGNATURE OF HOLDER

REAL ESTATE DIVISION DIRECTOR

Form #2

WASHINGTON

STATE OF WASHINGTON

DEPARTMENT OF LICENSING – BUSINESS AND PROFESSIONS DIVISION

THIS CERTIFIES THAT THE PERSON OR BUSINESS NAMED BELOW IS AUTHORIZED AS A

WASHINGTON STATE DEPARTMENT OF LICENSING

CERTIFIED GENERAL REAL ESTATE APPRAISER

MELISSA BACH
Cushman & Wakefield, 49 Stevenson St Fl 4
SAN FRANCISCO CA 94105

1102560	03/15/2019	07/28/2024
License Number	Issue Date	Expiration Date

Teresa Berntsen, Director