

華豐橡膠工業股份有限公司



一一四年第一次股東臨時會議事錄

時 間：中華民國一一四年十二月一日 星期一 下午二點整。

地 點：彰化縣花壇鄉中庄村中山路一段 20 號(本公司花壇廠)。

召開方式：實體股東會

出 席：已出席股數 186,512,717 股(含委託出席及以電子方式出席行使表決權者，以電子方式行使表決權股數為 7,750,297 股)，佔本公司已發行普通股 279,349,134 股之 66.76%。

出席董事：沈國榮董事長、丘世健副董事長、沈千慈董事、吳品儀董事、顏明善董事、顏瑞賢董事、黃主佳獨立董事。

主 席：沈國榮 董事長



紀 錄：李育修



一、宣布開會(報告出席股份總數已達法定股數，主席依法宣布開會)

二、主席致詞：略。

三、討論事項

第一案

董事會 提

案由：本公司擬向關係人取得不動產案，提請 公決

說明：

一、本公司為因應全球經濟變化情勢及集團全球化布局，擬向關係人住友橡膠株式會社之子公司 Sumitomo Rubber USA, LLC 取得其位在美國紐約州之土地、廠房及附屬設施，取得評估報告請參閱本手冊第 4~9 頁(附件一)。

二、依本公司「取得或處分資產處理程序」規定，本取得案已委請專業估價者針對前述不動產進行估價，估價報告請參閱本手冊第 10~75 頁(附件二)。

三、擬提請股東會同意授權由本公司董事長全權針對本案進行議訂、交付條件、執行等一切交易相關事宜，並以購入金額不高於美金 2,800 萬元執行之。

四、如本公司新設立之子公司於交割前已設立完成，將視營運需求以該子公司取得該不動產。

五、謹提請 公決。

決議：

本議案表決結果如下：

表決時出席股東總表決權數 153,644,513 權(扣除無表決權總數及其關係人迴避不參與投票之表決權數：32,868,204 權)

表決結果	占出席股東表決權數%
贊成權數：152,266,835 權 (含電子投票 6,390,558 權)	99.10%
反對權數：150,132 權 (含電子投票 149,132 權)	0.09%
無效權數：0 權	0.00%
棄權與未投票權數：1,227,546 權 (含電子投票 1,210,607 權)	0.79%

已達法令規定標準，本案照案通過。

四、臨時動議：無。

五、散會時間：同日下午二時二十分。

(本議事錄僅記載會議進行之要旨，詳細內容以現場錄音、錄影為準。)

【附件一】

華豐橡膠工業股份有限公司

資產取得評估報告

報告日期:2025.9.22

一、擬取得標的:

位於美國紐約州 Tonawanda(the Town of Tonawanda, County of Erie and State of New York)之土地、廠房及附屬設施。

土地面積:132.05 英畝

廠房面積:1,997,536 平方英尺

二、取得目的、必要性及預計效益:

(一)取得目的:

因應美國關稅以及 110 年美國商務部公告之終判結果對於台灣、東南亞等地課徵轎車胎（含輕卡車胎）之反傾銷、反補貼稅及美國 OEM 及大型售後經銷商客戶對於在美國生產之需求，本公司擬於美國建立輪胎之生產基地，故取得上述第一項所列做為生產廠區使用，並視生產規劃及訂單需求將部分暫時未使用之區域(如有)進行出租活化利用。

(二)必要性及預計效益:

因應國際情勢之變化，現美國對於台灣生產之轎車胎（含輕卡車胎）課徵 84.75%之反傾銷稅、汽車關稅 25%，對於部分胎別

適用 20%之對等關稅，且運費日益上漲，美國客戶對於本土化生產需求逐漸強烈，如本公司能於美國建立生產基地，其生產之產品無須課徵美國關稅及反傾銷稅將有助於本公司擴展美國 OEM 及 AM 市場，擴大美國市場營收份額。

三、 交易相對人：

Sumitomo Rubber USA, LLC，屬本公司法人董事住友橡膠工業株式會社之直接或間接持股 100%之孫公司，故屬本公司之關係人。

四、 選定關係人為交易對象之原因：

適逢本公司董事住友橡膠工業株式會社之子公司 Sumitomo Rubber USA, LLC 於紐約州之輪胎生產廠區於 2024 年因政策決議停產，目前該不動產維護妥善，相關廠房布局及水電氣管道均適合輪胎生產使用，且該廠區原即為輪胎生產使用，本公司取得後無需進行重大改動即能盡快投入生產，避免支出重大改動費用及較長之建築興建時間。

五、 交易價格：

預計為 28,000,000 美元。

六、 交易決定之方式及參考依據：

參考專業估價者之估價金額由雙方議價決定。

七、 付款方式：

於交割時依約支付價款。

八、 鑑價：

本公司已委請 STOUT RISIUS ROSS, LLC 及 GA Advisory & Valuation Services, LLC 進行鑑價(附件一)，結果如下：

(一) STOUT RISIUS ROSS, LLC:

1. 鑑價金額:28,000,000 美元。

2. 專業估價師姓名: Jason J. Krentler 先生及 Michael F. Clifford 先生。

3. 證書號碼: MI-12010746

(二) GA Advisory & Valuation Services, LLC:

1. 鑑價金額:28,150,000 美元。

2. 專業估價師姓名: Neil F. Axler, MRICS 先生

3. 證書號碼: CA-15092745

九、 關係人原取得日期及價格、交易對象：

關係人原取得日期:土地及部分廠房為 1999 年 6 月 14 日取得、部分廠房為 1999 年 6 月 14 日後至 2024 年 8 月 1 日間陸續自建。

關係人原取得之交易對象: Dunlop Tire Corporation、部分

廠房為自建。

交易對象與關係人之關係：關係人

關係人原取得之價格：共計 114,825,674 美元。

十、公開發行公司取得或處分資產處理準則依第十六條及第十七條

規定評估預定交易條件合理性之相關資料：

不適用，關係人取得該不動產已逾五年，依公開發行公司取得或處分資產處理準則依第十六條第四項第二款之規定，不適用第十六條前三款之評估。

十一、現金收支預測表及資金運用合理性：

本公司未來一年各月份之現金收支預測表如附件(附件二)，本計畫資金來源充足，主要包括自有資金、營運活動現金流及銀行融資；其運用規劃依據附件現金收支預測表，涵蓋原物料採購、營運支出及固定資產購置。整體資金分配尚符合營運需求，且資金來源與運用均能保持平衡，屬於正常且合理之規劃。

十二、其他

如本公司新設立之子公司於交割前已設立完成，將視營運需求以該子公司取得該不動產。

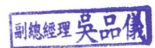
本次擬交易金額已逾本公司總資產之10%以上，故依公開發行公司
取得或處分資產處理準則第十五條第五項之規定，經董事會通過
後，依法提請114年股東臨時會決議之。

核准：



審查：

報告人：



華豐橡膠工業股份有限公司
現金收支預測表
114年10月～115年11月

項目年月	114年10月	114年11月	114年12月	115年1月	115年2月	115年3月	115年4月	115年5月	115年6月	115年7月	115年8月	115年9月	115年10月	115年11月
期初現金餘額1	677,532	559,564	896,188	345,238	332,199	347,936	418,063	431,769	345,361	368,781	392,264	430,481	420,839	394,685
加：非融資性收入2														
應收帳款收現	132,022	157,832	158,380	151,800	152,942	166,705	155,235	162,725	189,305	162,042	188,675	179,056	156,154	184,545
應收票據收現	15,057	18,011	11,857	17,070	18,758	21,318	16,598	16,364	17,414	21,570	20,023	19,061	16,894	20,208
利息收入	1,780	465	3,302	1,207	818	932	1,215	952	3,151	1,208	825	892	1,212	831
其他收入	2,411	1,101	1,312	579	583	56,413	761	735	2,613	1,135	696	1,151	2,612	1,296
合計2	151,270	177,409	174,851	170,656	173,101	245,368	173,809	180,776	212,483	185,955	210,219	200,160	176,872	206,880
減：非融資性支出3														
購料及應付帳款付現	53,465	56,258	93,260	64,593	65,675	71,919	65,032	67,774	78,224	65,889	70,102	64,305	66,191	78,318
薪資付現	29,493	29,505	29,507	60,291	32,832	35,954	32,511	33,882	39,106	32,839	35,046	32,147	33,090	39,153
各項費用付現	35,462	42,398	39,358	40,716	41,399	45,334	40,993	42,722	49,309	41,407	44,189	40,535	41,724	49,368
取得固定資產	1,071	2,105	842,220	2,551	2,201	2,749	2,348	2,452	2,985	3,202	3,150	3,131	2,851	2,340
支付利息	2,940	3,389	4,335	4,335	4,047	4,335	4,239	4,505	4,409	4,505	4,505	4,409	4,675	4,579
長期股權投資增加			210,000											
所得稅支付														
其他	7,131	7,131	7,121	11,209	11,210	14,950	14,980	14,930	15,030	14,830	15,010	14,835	14,820	15,020
合計3	129,562	140,785	1,225,801	183,695	157,364	175,241	160,103	212,825	189,063	162,472	172,002	209,802	163,351	188,778
融資淨額4														
短長借款增加(減少)														
其他	(139,675)	300,000	500,000					100,000					100,000	
合計4	(139,675)	300,000	500,000	0	0	0		(154,359)					(139,675)	
期末現金餘額5=1+2-3+4	559,564	896,188	345,238	332,199	347,936	418,063	431,769	345,361	368,781	392,264	430,481	420,839	394,685	412,787

單位：新台幣仟元

Sumitomo Corporation – Tonawanda Facility

Valuation of Certain Real Property as of June 30, 2025

Issued: September 11, 2025

PRIVILEGED AND CONFIDENTIAL



Contact Information



For more information, please contact one of the following members of the engagement team:

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Investment Banking & Restructuring

Providing mergers and acquisitions advisory, private capital raising, and distressed advisory services for buyers and sellers.

Accounting & Reporting Advisory

Providing accounting expertise for audit support, technical accounting and standards implementation, internal controls, and financial statement preparation.

Valuation Advisory

Providing valuations of business enterprises, debt, equity, complex securities, intellectual property, real estate, and personal property.

Transaction Advisory

Providing financial, IT, and tax due diligence, fairness and solvency opinions, interim management, and integration and separation support.

Disputes, Claims, & Investigations

Providing expert testimony and consulting, as well as insurance claim, investigations, and compliance services for financial-related matters.

Exhibits



Exhibit A	Valuation of Real Property
Exhibit B	Appraisal Definitions and Other Pertinent Terms
Exhibit C	Assumptions and Limiting Conditions
Exhibit D	Certification
Exhibit E	Statements of Qualifications

Executive Summary



September 11, 2025

Mr. Ziad Assad
Duro Tire & Wheel
10 Sheridan Drive
Tonawanda, New York 14150

Dear Mr. Assad:

Stout Risius Ross, LLC ("Stout") has been engaged to render an opinion with respect to the Market Value of the fee simple interest of the real property located at 10 Sheridan Drive, Tonawanda, New York (the "Subject" or "Subject Real Property") and owned by Sumitomo Corporation ("Sumitomo", or the "Company") as of June 30, 2025 (the "Valuation Date"). It is our understanding that the results of our analysis will be used for internal management planning purposes related to the potential sale of the real property. Neither Stout's value conclusions nor our work product are in any way intended for, nor may they be relied upon by any other party or used for any other purposes without our express, prior written consent.

The scope of our engagement includes a determination of the Market Value of the Subject Real Property as of the Valuation Date only. This analysis does not include a valuation of any other assets or liabilities associated with the Subject Real Property or Company. However, Stout was engaged to value certain personal property assets of Sumitomo as of the Valuation Date. The analysis related to the personal property assets is contained in a separate report.

Facility Overview

The Sumitomo facility located in Tonawanda, New York, was constructed in 1920 and previously manufactured automotive tires for passenger cars,

trucks, buses, and motorcycles. It ceased operations in November 2024 after an extended examination of its viability unable to overcome the financial losses in a competitive tire market.

The tire manufacturing process begins with raw materials which are stored in silos or material receiving areas. Raw materials are then combined and processed in a series of eight mixers. Rubber produced on the mixing lines is then transported to either calendaring lines or to extruding and component lines. The calendaring process reduces the thickness of the rubber to a final dimension and embeds cloth or wire layers between two layers of rubber. Material produced on the calendaring lines is cut to specific lengths and transported to the tire assembly area. The extruding and component lines produce extruded rubber for treads, sidewalls, and other tire components. Next, tire components are assembled into a green tire (an assembled tire that has not been cured) on a series of tire building machines. From the tire building area, tires are sent to curing presses which heat and mold the tire into its final form. After curing, the tires are transported to a final finish area where they are measured, balanced, and packaged for shipment.

Definition and Premise of Value

In performing our analysis, the term "Market Value" is defined as the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus.

Executive Summary



Real Property Overview

The tangible assets appraised in our analysis include certain real property owned by the Company as of the Valuation Date. The Subject Real Property is an industrial facility that includes a gross building area of 1,997,536 square feet on a 132.05-acre development site. The facility has clear ceiling heights ranging from 12 feet to 30 feet and approximately 4.1% of the building area is finished office space. The subject was built in stages from 1920 through 2022, has been well maintained and is considered to be in average condition for its age. A summary of the Subject Real Property details are presented in Exhibit A.2. Supporting schedules related to the analysis are contained in Exhibits A.3 to A.5.

Scope of the Real Property Appraisal

The scope of the real property analysis includes, but is not limited to, the following:

- discussions with Company personnel to obtain physical and operational data on the Subject Real Property;
- analysis of location demographics and market conditions;
- estimation of the highest and best use of the Subject Real Property;
- research and analysis of data gathered from Stout files as well as from discussions with real property brokers familiar with the real property market in the subject location;
- investigation of market data available from public records and commercial sources of data. Search parameters for comparable market data begin in the subject property's immediate neighborhood and are expanded geographically until sufficient data was found to estimate Market Value. The sales data used in this appraisal was either (a) verified with a person or persons directly involved in the

transaction or (b) corroborated using empirical data determined to support the data as correct;

- analysis of pertinent cost data, such as the Marshall Valuation Service Cost Manual; and
- estimation of the Market Value of the Subject Real Property using the Sales Comparison Approach and Cost Approach. A full Income Capitalization Approach was not applied in this appraisal assignment; however, a high-level direct capitalization analysis was performed internally as support to the Sales Comparison Approach and Cost Approach conclusions.

The principal sources of information used in performing our valuation of the Subject Real Property included, but were not limited to:

- building layouts, floor plans, and site plans;
- recent real property tax statements and tax information;
- legal descriptions and other legal documentation;
- recent improvement and renovation records, including capital improvement forecasts;
- records of all recent transfers of the Subject Real Property; and
- other pertinent information.

To fully understand the rationale for the opinions and conclusions, reference must be made to the appraisal file. Data and/or analyses used in the course of this appraisal assignment, which are not detailed in this report, are retained in the appraisal file in compliance with the Uniform Standards of Professional Appraisal Practice ("USPAP") of the Appraisal Foundation.

For additional information regarding the real property appraisal, please refer to the *Assumptions and Limiting Conditions* presented in Exhibit C.

Executive Summary



Additionally, refer to Exhibit B for relevant *Appraisal Definitions and Other Pertinent Terms*.

Date of Value Estimate and Real Property Inspection

The Market Value of the Subject Real Property is being estimated as of June 30, 2025, the Valuation Date.

Due to the nature and scope of this engagement, we did not inspect the Subject Real Property. Our appraisal was performed utilizing information provided by management, including facility drawings, site plans, property tax statements, and other relevant materials. We have assumed that the data provided by management is complete and accurate, as it was not verified by physical inspection.

Ownership and Sales History of the Subject Real Property

As of the Valuation Date, title to the Subject Real Property was held by Goodyear Dunlop Tires North America Ltd, an entity related to Sumitomo Corporation. To our knowledge, there have not been any recorded transfers of the Subject Real Property within the past three years. Furthermore, the property is not currently listed for sale, and there are no outstanding offers or options for the sale of the property.

Property Rights Appraised

The property rights appraised for the Subject Real Property is the fee simple estate.

Exposure and Marketing Time

We estimated the exposure time and marketing time of the Subject Real Property of 12 months based on our analysis of the time on market for comparable property sales and a review of investor surveys.

Highest and Best Use

The highest and best use is defined as the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value. In broad terms, highest and best use is determined based on the use of the asset by market participants that would maximize the value of the asset or group of assets within which the asset would be used, even if the intended use of the asset by the reporting entity is different.

When estimating the highest and best use of real property, an analysis must be performed first as if the property is vacant land with no improvements, and second as it is currently improved. In both cases, the highest and best use is that use which is the most profitable use to which the property can be put.

Four criteria must be met by a potential use for it to be the property's highest and best use. These criteria are (a) legal permissibility; (b) physical possibility; (c) financial feasibility; and (d) maximum productivity. These criteria apply to both analyses (i.e., as if vacant and as improved).

The above-mentioned criteria are considered in the analysis of the highest and best use of the Subject Real Property. The conclusions are stated below.

Executive Summary



Highest and Best Use as if Vacant

The highest and best use of the Subject Real Property, as if vacant, is to hold for future development.

Highest and Best Use as Improved

The highest and best use of the Subject Real Property, as improved, is for continued use of the existing improvements.

Approaches to Value

Current real property appraisal theory includes consideration of several appraisal approaches, including a cost approach, sales comparison approach, and income capitalization approach. A specific appraisal assignment may use one or more of these valuation approaches based on the definition of value and the quality and quantity of data available for the analysis. A description of the approaches is discussed below.

Cost Approach

The cost approach is based on the theory that market participants value a property by examining the costs associated with purchasing a comparable site and replacing or reproducing the existing improvements. This approach is most commonly used to estimate the market value of a proposed or recently constructed property, a special-purpose property, or a less frequently exchanged property.

The cost approach is performed in three steps. First, the land value must be estimated. Land value is estimated based upon the conclusion of the subject property's highest and best use as vacant and ready for development. Next, the current costs to reconstruct or replace the improvements can be derived

from actual construction costs, cost manuals, or discussions with builders and contractors. The final step of the cost approach is to consider the amount of depreciation the subject property's improvements have sustained, and to subtract this amount from the cost new.

Sales Comparison Approach

The sales comparison approach is based on the premise that market participants value a property based on the sales prices of similar properties (or comparable sales). This approach is most useful when there have been a significant number of recent sales and listings of similar properties.

In performing the sales comparison approach, an analysis of the degree of similarity between the subject property and the comparable properties is made. Initially, the following elements are considered: property rights conveyed, financing, conditions of sale, expenditures made immediately after the purchase of the property, and market conditions. An estimate of the impact that each of these initial elements has on the comparable properties is calculated in relation to the subject property. These adjustments (which can be positive or negative) are made to the sales price of each comparable property and yield an interim adjusted sales price.

Finally, all other relevant elements of comparison, such as locational attributes, physical characteristics, economic factors, property use (zoning), and nonrealty components (e.g., personal property, business concerns, or other items that do not constitute real property but are included in either the sales price of the comparable property or the ownership interest in the subject property) are grouped together. The impact that these factors have on the price of each comparable property is estimated. An adjustment quantifying this impact is applied to the interim adjusted sales prices of the

comparable properties and results in an indicated range of values for the subject property.

Income Capitalization Approach

The income capitalization approach is based on the premise that market participants measure the value of a property by calculating the present value of the future economic benefits associated with property ownership. Since this approach is based on projected cash flow streams, the income capitalization approach is most appropriate for income-generating properties.

There are two methods of income capitalization: direct capitalization and yield capitalization (also known as the DCF analysis). In direct capitalization, net operating income is divided by an overall capitalization rate. In yield capitalization, the property's future income stream, including the annual cash flows and the eventual sale of the property (reversion), are discounted to a present value. The direct capitalization method is often more applicable for properties with relatively stable future cash flows, while the DCF Method is often more applicable for properties with varying annual cash flows.

Reconciliation of Valuation Approaches

While all valuation approaches were considered in this appraisal assignment, only the Sales Comparison Approach and Cost Approach are utilized to estimate the Market Value of the Subject Real Property. The Income Capitalization Approach was considered but not applied because the Subject Real Property is not an income-producing property. Further due to the size and age of the facility, there is a limited tenant pool for the lease of the whole facility to a single user. Because of this, it would be speculative

for us to project lease-up and demising costs required to allow the subject to be used by multiple tenants. However, we note a high-level direct capitalization analysis was performed internally as support for the Sales Comparison Approach and Cost Approach conclusions.

Valuation Process

Sales Comparison Approach

The Sales Comparison Approach is based upon an analysis of comparable sales. In the case of properties similar to the Subject Real Property, market participants analyze comparable properties based on a price per square foot ("SF") of gross building area ("GBA"). Accordingly, our analysis is consistent with the procedures employed by market participants and appropriately accounts for differences between the Subject Real Property and the comparable properties with respect to the elements of comparison utilized. A summary of the comparable sales and the adjustments applied to estimate the value of the Subject Real Property is presented in Exhibit A.3.

Cost Approach

Land Valuation

The first step of valuing the Subject Real Property under the Cost Approach is to determine the value of land, which is typically done using the Sales Comparison Approach. We researched similar land sales recently occurring in the Subject Real Property's markets. We also discussed land values with real estate brokers familiar with the area. Our investigation of comparable land sales is significant because it reflects the actions of buyers and sellers active in the marketplace. Moreover, the comparable sales reflect the size and use of the Subject Real Property. We used specific land sales and

Executive Summary



current listings to determine the land value for the subject location. The analysis for the land valuation is presented in Exhibit A.5.

Replacement Cost of Improvements

Typically, examining actual construction costs of comparable properties provides the best source of cost information. This is often augmented by discussions with the contractor and other local building cost estimators. Frequently, this information is unavailable, and it is necessary to analyze published data of cost estimators. This includes the publication by *Marshall & Swift (the "MVS Manual")*. This resource is internationally recognized and compiles extensive construction cost estimates for various types of improvements.

In our analysis of the Subject Real Property, we estimated the replacement cost new of the improvements by using the Calculator Section in the *MVS Manual*. To keep its estimates current, *MVS* provides revisions on a monthly basis. Regional and local adjustment factors are also provided, which account for differences in costs based on location.

The calculation of the replacement costs for the Subject Real Property includes an estimate of the base costs. This represents the direct costs ("hard costs") associated with constructing the property, including construction materials and labor. The base costs presented in the *MVS Manual* also include certain indirect costs ("soft costs") associated with the construction of the property, including plans, specifications, building permits, architects fees, and contractors' overhead and profit.

The base costs presented in the *MVS Manual* are adjusted for multipliers, as previously discussed, to account for the date that the cost estimates are

published and the differences in costs based on the location of the Subject Real Property. Finally, we add the site improvement costs (e.g., landscaping and paving) to the total hard costs of construction.

Certain soft costs are not included in the *MVS Manual* cost estimate, such as real estate taxes during construction. In addition, entrepreneurial incentive must be considered as a soft cost. This represents the incentive that the entrepreneur expects to receive for his contribution to the development of the project, as well as for the risk assumed. If the developer cannot earn an adequate profit on the development, he or she will not participate in the project.

Upon determining the total replacement cost of the property (i.e., total hard and soft costs), depreciation of the improvements must be considered. The conclusion of depreciation is based on the physical deterioration of the improvements and considers the presence of external or functional obsolescence. Physical deterioration is calculated on a straight-line basis and is a quotient of effective age and useful life. Effective age considers the construction dates of the Subject Real Property, as well as condition of the improvements observed on inspection and noted in discussions with management. Based primarily on the size, age, and use of the Subject Real Property improvements, no external or functional obsolescence is applied in our analysis. The calculations detailing the cost approach are presented in the cost summary tables presented in Exhibit A.4.

Executive Summary



Conclusion of Value

Based on the foregoing and as presented in Exhibit A.1, the Market Value of the Subject Real Property, as of the Valuation Date, is estimated to be \$28.0 million. Additionally, the table presented in Exhibit A.1 allocates the Market Value conclusion between the land, building improvements, and site improvements.

This valuation is subject to the assumptions and limiting conditions outlined in the exhibits of this report.

Regards,

A handwritten signature in black ink that reads "Stout Riskier Poss, LLC".

STOUT RISIUS ROSS, LLC

A. Valuation of Real Property



Conclusion of Market Value - Tonawanda, New York							Exhibit A.1		
In U.S. Dollars									
Location	Sales Comparison Approach	Income Capitalization Approach	Cost Approach	Concluded Market Value	Market Value Allocation				Site Improvements
					Land Value	Building Improvements			
1 10 Sheridan Drive, Tonawanda, New York	\$ 28,000,000	n/a	\$ 27,400,000	\$ 28,000,000	\$ 4,200,000	\$ 21,947,610	\$	1,852,390	
2 Market Value of Real Property				\$ 28,000,000	\$ 4,200,000	\$ 21,947,610	\$	1,852,390	

Source: Stout owned real property valuation schedules

Summary of Real Property							Exhibit A.2	
Location	Gross Building Area	Site Area	Building Use	Office Percentage	Clear Ceiling Height	Year Built	Additions / Renovations	
1 10 Sheridan Drive, Tonawanda, New York	1,997,536 SF	132.05 Acres	Manufacturing	4.1%	12 to 30 feet	1920		thru 2022
Source: Sumitomo records								

A. Valuation of Real Property



Sales Comparison Approach - Tonawanda, New York

In U.S. Dollars

Exhibit A.3

	Notes	Subject Property	Comparable Sale Number					
			1	2	3	4	5	6
1 Address		10 Sheridan Drive	148 Hudson River Road	100 Timken Road	2424 W. 23rd Street	248 Tupperware Road	31 Curtis Drive	700 Resende Drive
2 Location		Tonawanda, New York	Waterford, New York	Gaffney, South Carolina	Erie, Pennsylvania	Hemingway, South Carolina	Shelby, Ohio	Webster, New York
3 Sale Date		6/30/2025	4/2/2025	9/30/2024	12/6/2023	10/11/2023	5/2/2023	6/22/2022
4 Location Rating		Average	Inferior	Superior	Inferior	Inferior	Inferior	Similar
5 Building Size (SF of GBA)		1,997,536	585,218	699,725	612,345	1,110,759	804,000	1,436,552
6 Office Percentage		4.1%	4.6%	1.2%	20.0%	7.9%	1.1%	4.3%
7 Clear Ceiling Height (Feet)		12 to 30 feet	15 to 34 feet	16 to 21 feet	16 to 30 feet	32 feet	20 feet	16 to 26 feet
8 Year Built		1920-2022	1950	1971	1954	1976	1956	1970-1971
9 Year Renovated		n/a	n/a	n/a	2021	n/a	n/a	n/a
10 Condition Rating		Average	Similar	Similar	Similar	Similar	Similar	Similar
11 Quality of Construction Rating		Class C, Average	Similar	Similar	Similar	Similar	Similar	Similar
12 Site Size (SF)		5,752,198	1,200,514	3,871,177	1,192,673	5,967,720	2,097,414	4,500,184
13 Land-to-Building Ratio		2.88	2.05	5.53	1.95	5.37	2.61	3.13
14 Sales Price			\$8,500,000	\$16,700,000	\$7,000,000	\$15,000,000	\$14,000,000	\$25,000,000
15 Sales Price per SF			\$11.42	\$23.87	\$11.43	\$13.50	\$17.41	\$18.10
16 Property Rights			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
17 Adjusted Price			\$14.52	\$23.87	\$11.43	\$13.50	\$17.41	\$18.10
18 Financing Terms			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19 Adjusted Price			\$14.52	\$23.87	\$11.43	\$13.50	\$17.41	\$18.10
20 Conditions of Sale			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
21 Adjusted Price			\$14.52	\$23.87	\$11.43	\$13.50	\$17.41	\$18.10
22 Expenditures After Sale			\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
23 Adjusted Price			\$14.52	\$23.87	\$11.43	\$13.50	\$17.41	\$18.10
24 Market Conditions			0.5%	1.5%	3.1%	3.4%	4.3%	6.0%
25 Adjusted Price Subtotal			\$14.60	\$24.22	\$11.79	\$13.97	\$18.17	\$19.19
26 Location			10.0%	-10.0%	10.0%	10.0%	10.0%	0.0%
27 Office Percentage			0.0%	0.0%	-5.0%	0.0%	0.0%	0.0%
28 Building Size			-15.0%	-15.0%	-15.0%	-5.0%	-10.0%	0.0%
29 Clear Ceiling Height			0.0%	0.0%	0.0%	-5.0%	0.0%	0.0%
30 Condition			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
31 Quality of Construction			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32 Land-to-Building Ratio			0.0%	-5.0%	0.0%	-5.0%	0.0%	0.0%
33 Other Factors			0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
34 Total Other Adjustments			-5.0%	-30.0%	-10.0%	-5.0%	0.0%	0.0%
35 Final Adjusted Price per SF	[a]		\$13.87	\$16.96	\$10.61	\$13.27	\$18.17	\$19.19
36 Concluded Value per SF		\$14.00						
37 Size (SF)		1,997,536						
38 Market Value (Rounded)		\$ 28,000,000						

[a] Equal to adjusted price subtotal times (1 + subtotal other adjustments).

A. Valuation of Real Property



Cost Approach - Tonawanda, New York Exhibit A.4

In U.S. Dollars

		Office and	
		Notes	Total
		Manufacturing	
1	Base Cost		
2	HVAC Adjustment	\$72.00	
3	Sprinklers Adjustment	2.01	
4	Total Base Costs per SF	<u>0.22</u>	
5	Size (SF)		
6	Total Base Costs	1,997,536	
		<u>\$ 148,267,110</u>	
7	Current Cost Multiplier	1.0400	
8	Comparative Cost Multiplier	1.0000	
9	Local Multiplier	1.1100	
10	Perimeter Multiplier	0.8410	
11	Story Height Multiplier	1.0860	
12	Total Multiplier	<u>1.0543</u>	
13	Adjusted Base Costs	\$ 156,324,468	\$ 156,324,468
14	Add: Rails spur Costs (7,575 LF, 9 switches)		2,061,631
15	Site Improvement Area (SF)	2,071,756	
16	Cost per SF	<u>\$4.25</u>	
17	Add: Total Site Costs		<u>\$ 8,804,963</u>
18	Total Hard Costs		\$ 167,191,063
19	Add: Soft Costs	2.5%	<u>4,179,777</u>
20	Subtotal Hard and Soft Costs		\$ 171,370,839
21	Add: Entrepreneurial Incentive	5.0%	<u>8,568,542</u>
22	Total Hard and Soft Costs		\$ 179,939,381
23	Less: Depreciation - Site Improvements	80.5%	<u>(7,623,951)</u>
24	Less: Depreciation - Buildings & Other	87.5%	<u>(149,155,160)</u>
25	Total Depreciated Replacement Cost		\$ 23,160,270
26	Add: Land Value (Rounded)	[a]	<u>4,200,000</u>
27	Market Value (Rounded)		\$ 27,400,000

[a] Refer to the next page of this exhibit.

A. Valuation of Real Property



Cost Approach - Land Value - Tonawanda, New York

In U.S. Dollars

Exhibit A.5

	Notes	Subject Property	Comparable Sale Number				
			1	2	3	4	5
1 Property		10 Sheridan Drive	North America Center	7101 S. Lake Road	2435 Brickyard Road	8995 Lockport Road	4002 River Road
2 Location		Tonawanda, New York	West Seneca, New York	Bergen, New York	Canandaigua, New York	Niagara, New York	Tonawanda, New York
3 Sale Date		6/30/2025	Confirmed Listing	9/17/2024	9/28/2023	7/28/2023	6/9/2022
4 Site Size (SF)		5,752,198	2,616,427	2,195,424	2,792,196	8,741,185	1,631,257
5 Size (Acres)		132.05	60.06	50.40	64.10	200.67	37.45
6 Location Rating		Average	Superior	Inferior	Inferior	Superior	Similar
7 Zoning		GI, General Industrial	M-1, Manufacturing	INT-1, Interchange	I, Industrial	HI, Heavy Industry	WID, Waterfront Industrial
8 Utilities		All Available	Similar	Similar	Similar	Similar	Similar
9 Configuration		Slightly Irregular	Similar	Similar	Similar	Similar	Similar
10 Topography		Generally Level	Similar	Similar	Similar	Similar	Similar
11 Sales Price			\$2,973,213	\$1,140,000	\$1,425,000	\$8,592,143	\$1,260,000
12 Sales Price per Acre			\$49,500	\$22,619	\$22,231	\$42,817	\$33,646
13 Property Rights			0.0%	0.0%	0.0%	0.0%	0.0%
14 Adjusted Price			\$49,500	\$22,619	\$22,231	\$42,817	\$33,646
15 Financing Terms			0.0%	0.0%	0.0%	0.0%	0.0%
16 Adjusted Price			\$49,500	\$22,619	\$22,231	\$42,817	\$33,646
17 Conditions of Sale			-10.0%	0.0%	0.0%	0.0%	0.0%
18 Adjusted Price			\$44,550	\$22,619	\$22,231	\$42,817	\$33,646
19 Expenditures After Sale			\$0	\$0	\$0	\$0	\$0
20 Adjusted Price			\$44,550	\$22,619	\$22,231	\$42,817	\$33,646
21 Market Conditions			0.0%	0.8%	1.8%	1.9%	3.1%
22 Adjusted Price Subtotal			\$44,550	\$22,797	\$22,621	\$43,640	\$34,675
23 Location			-10.0%	20.0%	20.0%	-20.0%	0.0%
24 Size			-10.0%	-10.0%	-10.0%	5.0%	-10.0%
25 Zoning			0.0%	0.0%	0.0%	0.0%	0.0%
26 Utilities			0.0%	0.0%	0.0%	0.0%	0.0%
27 Configuration			0.0%	0.0%	0.0%	0.0%	0.0%
28 Topography			0.0%	0.0%	0.0%	0.0%	0.0%
29 Total Other Adjustments			-20.0%	10.0%	10.0%	-15.0%	-10.0%
30 Final Adjusted Price per Acre		[a]	\$35,640	\$25,077	\$24,883	\$37,094	\$31,208
31 Concluded Value per Acre			\$32,000				
32 Size (Acres)			132.05				
33 Market Value (Rounded)			\$ 4,200,000				

[a] Equal to adjusted price subtotal times (1 + subtotal other adjustments).

B. Appraisal Definitions and Other Pertinent Terms

Real Property

The following terms and definitions are specifically related to our appraisal of the Subject Real Property:

- Market Value: The following definition is taken from Financial Institutions Reform, Recovery and Enforcement Act (“FIRREA”) Regulations, per final rule, 12 CFR Part 34, (Docket No. 90-16), Federal Register, Volume 56 Number 165, March 31, 1994, effective June 7, 1994, Rules & Regulations. The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and 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.

The definitions of the following terms are taken from *The Dictionary of Real Property Appraisal, Seventh Edition (2022)*, published by the Appraisal Institute.

- Cash-Equivalent Price: The price of a property with above- or below-market financing expressed in terms of the price that would have been paid in an all-cash sale.
- Contract Rent: The actual rental income specified in a lease.
- Deferred Maintenance: Needed repairs or replacement of items that should have taken place during the course of normal maintenance.
- 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.
- Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property’s operating and fixed expenses; also called full-service lease.
- Leased Fee Interest: A freehold (ownership interest) where the possessory interest has been granted to another party by creation of a contractual landlord-tenant relationship (i.e., a lease).
- Leasehold Interest: The tenant’s possessory interest created by a lease.

B. Appraisal Definitions and Other Pertinent Terms

- Liquidation Value: The most probable price that a specified interest in real property should 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 are 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 interests.
 - A normal marketing effort is not possible due to the brief exposure time.
 - Payment will be made in cash in U.S. dollars 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 be modified to provide for valuation with specified financing terms. Also known as disposition value.

- Market Rent: The most probable rent that a property should bring in a competitive and open market reflecting all conditions and restrictions of the lease agreement, including permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements ("TI").
- Personal Property: (1) Any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable tangible objects that are considered by the general public as being "personal," such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; and intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens. (USPAP, 2024 ed.) (2) Consists of every kind of property that is not real property; movable without damage to itself or the real estate; subdivided into tangible and intangible.
- Real Property: The interests, benefits, and rights inherent in the ownership of real estate. Comment: In some jurisdictions, the terms real estate and real property have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory. (USPAP, 2024 ed.)
- Triple Net Lease (listed in dictionary as net net net lease): A lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN*, *triple net lease*, or *fully net lease*.

C. Assumptions and Limiting Conditions



This valuation report is also subject to the following assumptions and limiting conditions specifically related to our appraisal of the Subject Real Property:

- The Subject Real Property is appraised free and clear of all liens and encumbrances unless otherwise stated.
- It is assumed that there are no hidden or unapparent conditions of the Subject Real Property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the Subject Real Property is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in this appraisal report.
- It is assumed that the Subject Real Property conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in this appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value estimate contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the Subject Real Property described and that there is no encroachment or trespass unless noted in this report.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject property, was not observed. We have no knowledge of the existence of such materials on or in the Subject Real Property. However, we are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the Subject Real Property. The value estimated is predicated on the assumption that there is no such material on or in the Subject Real Property that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. The client is urged to retain an expert in this field, if desired.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of the Subject Real Property to determine whether or not it conforms to the various detailed requirements of the ADA. It is possible that a compliance survey of the Subject Real Property, together with a detailed analysis of the requirements of the ADA, could reveal that the Subject Real Property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the Subject Real Property. Since we have no direct evidence relating to this issue, possible non-compliance with the requirements of the ADA is not considered in estimating the value of the Subject Real Property.
- This appraisal covers only the real property described herein. Unless specifically stated to the contrary, it does not include consideration of mineral rights or related right of entry, nor personal property or the removal thereof. Values reported herein are not intended to be valid in any other context, nor are any conclusions as to unit values applicable to any other property or utilization that are specifically identified herein.
- Due to the nature and scope of this engagement, we did not inspect the Subject Real Property. This analysis applies the extraordinary assumption that the data provided by management is complete and accurate, as it could not be verified by physical inspection.
- The conclusions stated herein, including values that are expressed in terms of the U.S. dollar, apply only as of the date of value, and are based on prevailing physical and economic conditions and available information at that time. No representation is made as to the effect of subsequent events.

C. Assumptions and Limiting Conditions



- Any allocation of the total value estimated in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- This report has not been prepared for syndication purposes nor is it to be used for syndication purposes without our consent and then only with proper qualifications.
- If no legal description or survey was furnished, we used the county tax plat to ascertain the physical dimensions and acreage of the Subject Real Property. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.

D. Certification



Related to our appraisal of the Subject Real Property, we certify that to the best of our knowledge and belief:

- The statements of fact contained in this report, upon which the analysis, opinions, and conclusions expressed herein are based, 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.
- The data used in this report was obtained from sources believed to be reliable. All facts known to us that have bearing on the values presented in this report have been considered, and no facts of importance have been intentionally omitted herein.
- We have no present or prospective interest in the business or property that is the subject of this report, and we have no personal interest or bias with respect to the parties involved.
- We have no bias with respect to the business or 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 fee-based and 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.
- Our analyses, opinions, and conclusions were developed, and this report was prepared, in conformity with requirements of the Code of Professional Ethics & Standards of Professional Appraisal Practice of the Appraisal Institute, which include the Uniform Standards of Professional Appraisal Practice.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
- Stout Risius Ross, LLC has not previously appraised the real property that is the subject of this report.
- Appraisers are required to be licensed and are regulated by the State Licensing Agencies. Jason J. Krentler, MAI, FRICS is a State Certified Appraiser in the State of New York.
- Due to the nature and scope of this engagement, we did not inspect the Subject Real Property. This analysis applies the extraordinary assumption that the data provided by the client is complete and accurate, as it could not be verified by physical inspection.
- Michael F. Clifford, MAI provided significant real property appraisal or appraisal consulting assistance to the person signing this report.
- As of the date of this report, Jason J. Krentler, MAI, FRICS has completed the continuing education program for Designated Members of the Appraisal Institute.

A handwritten signature in black ink, appearing to read "J. Krentler", written over a horizontal line.

Jason J. Krentler, MAI, FRICS
Managing Director
New York Certified General Appraiser
License #: 46000049551
Expiration Date: August 23, 2027

CONFIDENTIAL

E. Statement of Qualifications



Detroit, MI USA
Office: +1.248.432.1281
jkrentler@stout.com

Education

B.S., Finance
Oakland University

Designations

MAI, Appraisal Institute
FRICS, Royal Institute of Chartered
Surveyors

Practice Areas

Real Estate Valuation
Financial Reporting
Real Estate Disputes
Valuation Disputes

Jason J. Krentler leads the real property financial reporting practice at Stout. He has over 20 years of real property valuation and consulting experience, with a concentration on financial reporting matters.

Mr. Krentler's experience includes assignments completed for a wide variety of property types across the United States as well as throughout Europe, Asia, and South America. He has extensive financial reporting experience in connection with purchase price allocations, fair value measurement, positive assurance, impairment testing, fresh start accounting, and ASC 842 lease accounting. In addition to GAAP for U.S.-based client needs, Mr. Krentler has worked on international valuations to satisfy reporting requirements associated with IFRS and International Accounting Standards (IAS).

Mr. Krentler's experience also includes net asset valuations (NAV) for REIT and institutional clients, fairness opinions, and litigation. He has testified as an expert witness for ad valorem taxation and other litigation matters throughout the United States.

Professional Memberships

- Appraisal Institute
- Royal Institute of Chartered Surveyors (RICS)
- CoreNet (Board of Directors)
- Great Lakes Chapter of the Appraisal Institute (Board of Directors)
- Urban Land Institute

E. Statement of Qualifications



Detroit, MI USA
Office: +1.248.432.1313
mclifford@stout.com
Education

M.S.A., Accounting
Grand Valley State University

B.A., Geography
Michigan State University

Designations

MAI, Appraisal Institute

Certified General Real Estate
Appraiser – Various States

Practice Areas

Financial Reporting
Real Estate Valuation
Trust & Estate
Valuation Disputes
Real Estate Disputes

Michael F. Clifford specializes in real estate valuation and advisory services, where he has over 10 years of national and international appraisal experience.

Mr. Clifford's professional experience includes assignments completed in numerous states as well as various international locations throughout North America, South America, Europe, and the Asia-Pacific Region. His experience includes engagements for local, national, and international clients for a variety of purposes including purchase price allocation, asset impairment testing, financing, estate and gift taxation, ad valorem taxation, consulting, and litigation. Mr. Clifford has also completed favorable/unfavorable lease analyses for financial reporting purposes.

Mr. Clifford has appraised numerous property types, including office, industrial, multi-family residential, free-standing retail buildings, community and neighborhood shopping centers, mixed-use developments, vacant land, and many special purpose properties, such as golf courses, indoor recreation facilities, chemical plants, and tactical training facilities.

Professional Memberships

- Appraisal Institute



APPRAISAL OF REAL ESTATE

**Sumitomo Corporation – Tonawanda Facility
10 Sheridan Drive, Tonawanda, NY 14150**

**IN AN APPRAISAL REPORT
As of June 30, 2025**

PREPARED FOR:
Mr. Ziad Assad
Duro Tire & Wheel, Inc.
10 Sheridan Drive
Tonawanda, New York 14150



October 1, 2025

Mr. Ziad Assad
Duro Tire & Wheel, Inc.
10 Sheridan Drive
Tonawanda, New York 14150

Pursuant to our Engagement Agreement, whereby Duro Tire & Wheel, Inc. (the "Client") retained Great American Group Intellectual Property Advisors, LLC dba GA Group ("GA Group"), the appraisal report to follow is GA Group's valuation of certain real estate assets located at 10 Sheridan Drive, Tonawanda, NY 14150 (the "Subject", or the "Subject Property") owned by Client.

The conclusion of this appraisal is set forth in the attached Appraisal Report. The type of value sought in our appraisal of the Subject is an "As Is" Fair Market Value opinion for a certain fee simple interest subject to the general underlying assumptions and limiting conditions cited herein. The date of value is June 30, 2025 (the "Valuation Date"). The intended use is for internal planning purposes related to a proposed acquisition. The Client is intended user of this Appraisal Report.

A more detailed description of the site and building improvements is provided in the accompanying Appraisal Report.

This appraisal conforms with the Uniform Standards of Professional Appraisal Practice ("USPAP") of the Appraisal Foundation.

SCOPE OF THE REAL ESTATE APPRAISAL

The scope of the real property analysis includes, but is not limited to, the following:

- A physical inspection of the Subject Property.
- Contacting Client to obtain physical and financial data on the Subject valued in this appraisal.
- Analysis of location, demographics, and market conditions.
- Collection and analysis of current assessment, zoning data, and FEMA flood zone.
- Estimation of the highest and best use of the Subject.
- Investigation of market data available from public records and commercial sources of data including subscription market databases such as CoStar as well as (localized and time adjusted) cost data from Marshall & Swift Valuation Service compiled and published by Marshall & Swift/Boeckh, LLC ("MVS"). Search parameters for comparable market data began in the Subject's immediate neighborhood and were expanded geographically until sufficient data was found to be able to provide a supportable opinion of Fair Market Value.
- As part of the real estate assets valued, we included land, building, and site improvements.
- Analysis of the market data found and our opinion of Fair Market Value, as defined in this report, of the Subject as of the Valuation Date. All three approaches to value were considered for this report.
- GA Group has developed the cost approach and the sales comparison approach in preparation of this report. The income capitalization approach was not developed considering the owner-user nature of the Subject.



With the preparation of this Appraisal Report, we caution against the use of this appraisal for other than its intended purpose or without knowledge of the extent of the appraisal.

DATE OF VALUE ESTIMATE AND REAL ESTATE INSPECTION

The Fair Market Value of the Subject is being estimated as of June 30, 2025, the Valuation Date. Our appraisal of the Subject was performed utilizing information provided by Client. This analysis applies to the assumption that the data provided by Client is complete and accurate. This analysis was performed with a physical inspection of the Subject Property as per the summary below.

Street Address	City, State	Property Type	Inspected Appraiser	Inspection Date
10 Sheridan Drive	Tonawanda, NY	Light Manufacturing	Paul Munro, ASA	September 30, 2025

OWNERSHIP HISTORY

To the best of our knowledge, there have not been any recorded transfers of the Subject within the past three years, and the Subject is not listed for sale or under contract.

EXPOSURE TIME AND MARKETING PERIOD

Exposure time refers to the estimated length of time a property would have been on the market prior to the Valuation Date, assuming a competitive and open market. The marketing period, on the other hand, is the projected time it will take to sell the property after the Valuation Date, based on current market conditions. Based upon an analysis of the time on market for the sales of similar property as well as published investor surveys such as the PwC Real Estate Investor Survey, the estimated exposure time and marketing period for the Subject based on these sources is as follows:

Street Address	City, State	Property Type	Exposure Time & Marketing Period
10 Sheridan Drive	Tonawanda, NY	Light Manufacturing	12 Months

HIGHEST AND BEST USE AS IF VACANT

The highest and best use of the Subject, as if vacant, is for industrial development.

HIGHEST AND BEST USE AS IMPROVED

The highest and best use of the Subject, as improved, is for continued use of the existing improvements.

EXTRAORDINARY ASSUMPTIONS

An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions. The value conclusions are subject to the following extraordinary assumptions:

There were no extraordinary assumptions employed in this Appraisal Report.

HYPOTHETICAL CONDITION

A hypothetical condition is a fact that is known to be false but presumed to be true for the purposes of the appraisal. The value conclusions are subject to the following hypothetical conditions:

There were no hypothetical conditions employed in this report.

OVERVIEW OF VALUATION PROCESS

The valuation process is concluded by analyzing each approach to value used in the appraisal. When more than one approach is used, each approach is judged based on its applicability, reliability, and the quantity and quality of its data. A final value opinion is chosen that either corresponds to one of the approaches to value or is a correlation of all the approaches used in the appraisal. A description of the approaches is discussed below.

COST APPROACH

The cost approach is based on the theory that market participants value a property by examining the costs associated with purchasing a comparable site and replacing or reproducing the existing improvements. This approach is most commonly used to estimate the market value of a proposed or recently constructed property, a special-purpose property, or a less frequently exchanged property.

The cost approach is performed in three steps. First, the land value must be estimated. Land value is estimated based upon the conclusion of the Subject's highest and best use as vacant and ready for development. Next, the current costs to reconstruct or replace the improvements can be derived from actual construction costs, cost manuals, or discussions with builders and contractors. The final step of the cost approach is to consider the amount of depreciation the Subject's improvements have sustained, and to subtract this amount from the cost new.

SALES COMPARISON APPROACH

The sales comparison approach is based on the premise that market participants value a property based on the sale prices of similar property (or comparable sales). This approach is most useful when there has been a significant number of recent sales and listings of similar property.

In performing a sales comparison approach, an analysis of the degree of similarity between the Subject and the comparable property is made. Initially, the following elements are considered: property rights conveyed, financing, conditions of sale, expenditures made immediately after the purchase of the property, and market conditions. An estimate of the impact that each of these initial elements has on the comparable property in relation to the Subject is calculated. These adjustments (which can be upward or downward) are made to the sale price of each comparable property and yield an interim adjusted sale price.

Finally, all other relevant elements of comparison, such as locational attributes, physical characteristics, economic factors, property use (zoning), and non-realty components (e.g., personality, business concerns, or other items that do not constitute real property but are included in either the sale price of the comparable property or the ownership interest in the Subject) are

grouped together. The impact that these factors have on the price of each comparable property is estimated. An adjustment quantifying this impact is applied to the interim adjusted sale prices of the comparables, and results in an indicated range of values for the Subject.

INCOME CAPITALIZATION APPROACH

The income capitalization approach is based on the premise that market participants measure the value of a property by calculating the present value of the future economic benefits associated with property ownership. Because it is based on projected cash flow streams, the income capitalization approach is most appropriate for income-generating property.

There are two methods of income capitalization: direct capitalization and yield capitalization (also known as discounted cash flow analysis). In direct capitalization, net operating income ("NOI") is divided by an overall capitalization rate. In yield capitalization, the property's future income stream, including the annual cash flows and the eventual sale of the property (reversion), are discounted to its present value. The direct capitalization method is often more applicable for property with relatively stable future cash flows, while the discounted cash flow method is often more applicable for property with varying annual cash flows.

RECONCILIATION OF VALUES

The final step of the appraisal process is to reconcile the values indicated by each approach. In doing so, the appraisal assignment, the applicability of the approaches, and the reliability of each approach are considered. In determining which approach offers the most dependable estimate of value, consideration is given to the quantity and quality of data incorporated in each approach. After appropriate consideration is given to each valuation approach, a final opinion of value for the Subject is determined.

APPLICABILITY OF APPROACHES TO VALUE

All valuation approaches discussed above have been considered. GA Group has developed the cost approach and the sales comparison approach in preparation of this report. The income capitalization approach was not developed considering the owner-user nature of the Subject.

**CONCLUSION OF FAIR MARKET VALUE**

Based on our analysis, the Fair Market Value of the fee simple interest in the Subject Property is concluded to be:

Concluded Fair Market Value						As of June 30, 2025
In U.S. Dollars (\$ USD)						
			Value Conclusions			
Property Name	Property Address	City, State	Cost Approach	Sales Comparison Approach	Income Approach	Concluded Fair Market Value
1 Sumitomo Corporation - Tonawanda Facility	10 Sheridan Dr	Tonawanda, NY	28,300,000	28,000,000	N/A	28,150,000
						<u>28,150,000</u>

If you have any questions regarding this Appraisal Report, please contact Neil Axler at (917) 648-2159.

Thank you for the opportunity to be of service.

Sincerely,

Neil F. Axler, MRICS
Managing Director
neil.axler@eisneramper.com
(917) 648-2159

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Section I – Buffalo, NY Industrial Market Analysis

BUFFALO, NY INDUSTRIAL MARKET ANALYSIS

The information included in our market and submarket analysis sections is sourced from CoStar Group.

MARKET OVERVIEW

"The Buffalo market continues to see fluctuating demand, with most quarters over the past several years recording negative net absorption. The market sees little new supply, however, which has kept the vacancy rate largely stable and well below the national benchmark.

Net absorption over the trailing 12-month period totaled 660,000 SF. The pace of net deliveries remains measured, with just over 16,000 SF over the past 12 months. Vacancy fell 30 basis points quarter over quarter to 4.40% as absorption returned to positive territory in 25Q2.

Leasing activity has shown signs of recovery, with 258,000 square feet leased quarter to date, the highest total since the start of the year. This uptick is largely driven by demand for modern distribution and logistics facilities, particularly in the North and Greater Buffalo submarkets, where proximity to major highways and access to labor pools remain attractive to tenants.

Construction activity across the Buffalo industrial market remains elevated with 3.2 million SF underway, representing 2.90% of inventory compared to the national benchmark of 1.60%. Most new development is focused on build-to-suit and pre-leased projects, as speculative construction has slowed in response to tighter lending conditions and a more cautious investment climate. The largest project underway is in the Niagara Falls Submarket where Amazon is building a 3.1 million-SF distribution center. The property is slated to deliver in 2026.

Rent growth in Buffalo's industrial sector has moderated but remains positive. Over the past year, market rents have increased by 2.5%, with the average asking rent now at \$8.40/SF. The strongest rent growth is observed in newer, high-clearance distribution space, while older and less functional properties are experiencing more pricing pressure. While Buffalo's overall rent growth is in line with the national benchmark, rent growth sits at 4.4% compared to the national benchmark of 1.4%. Buffalo's affordability continues to attract tenants seeking cost-effective alternatives to higher-priced coastal markets.

Looking ahead, the outlook for the Buffalo industrial market is stable. While vacancy may rise slightly as new projects deliver and some tenants recalibrate their space needs, healthy demand from logistics, food processing, and light manufacturing users is expected to support continued absorption. Risks to the outlook include ongoing economic uncertainty, higher interest rates, and the potential for supply chain disruptions. Nevertheless, Buffalo's strategic location near the Canadian border, its access to major transportation corridors, and its relatively affordable industrial space position the market for long-term growth, even as near-term conditions remain mixed."

Overview

Buffalo Industrial

12 Mo Deliveries in SF

16.6K

12 Mo Net Absorption in SF

722K

Vacancy Rate

4.4%

Market Asking Rent Growth

2.5%

KEY INDICATORS

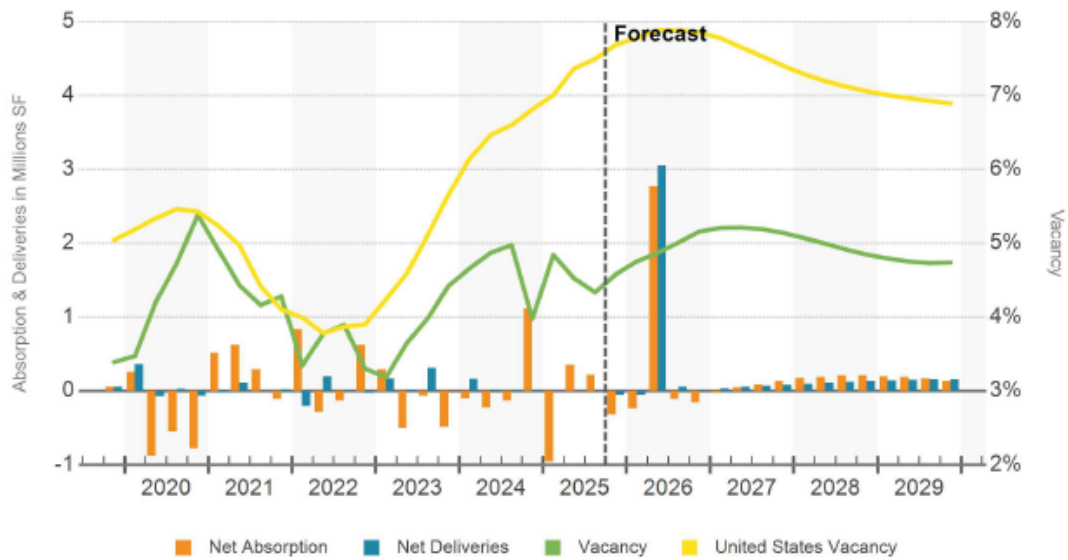
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	57,518,184	4.7%	\$8.26	4.6%	(2,100)	0	3,180,000
Specialized Industrial	43,424,248	3.5%	\$7.49	4.0%	(57,345)	0	0
Flex	10,011,830	6.7%	\$13.69	9.6%	8,402	0	0
Market	110,954,262	4.4%	\$8.44	4.8%	(51,043)	0	3,180,000
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.6% (YOY)	6.1%	4.9%	11.4%	2007 Q1	3.1%	2018 Q3
Net Absorption SF	722K	561,118	792,172	5,661,141	2008 Q1	(1,961,901)	2020 Q4
Deliveries SF	16.6K	413,540	1,103,775	1,515,636	2017 Q1	0	2012 Q2
Market Asking Rent Growth	2.5%	3.1%	2.6%	8.2%	2022 Q3	-2.8%	2010 Q3
Sales Volume	\$164M	\$67.1M	N/A	\$168.7M	2024 Q4	\$21.6M	2008 Q3

LEASING

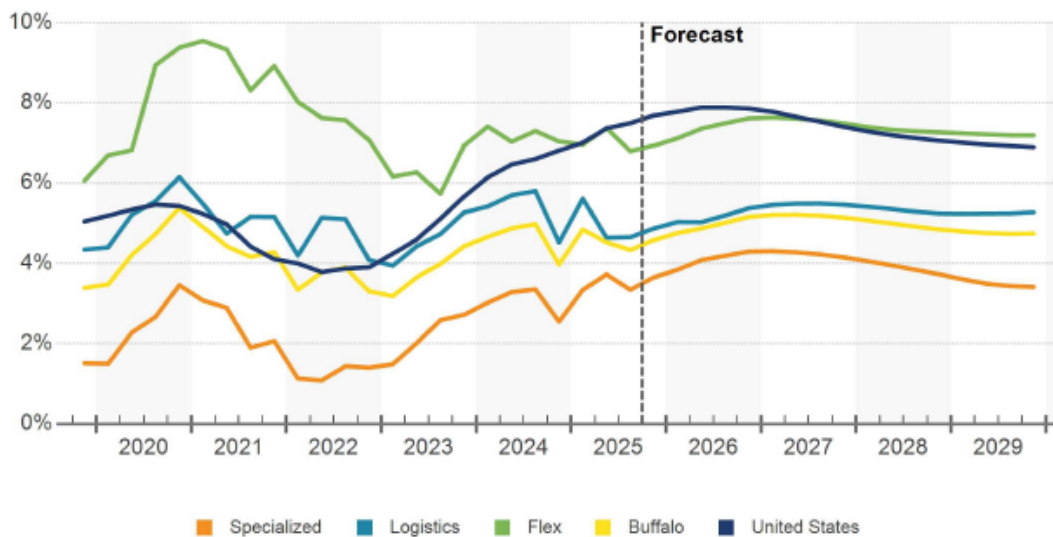
Leasing

Buffalo Industrial

NET ABSORPTION, NET DELIVERIES & VACANCY



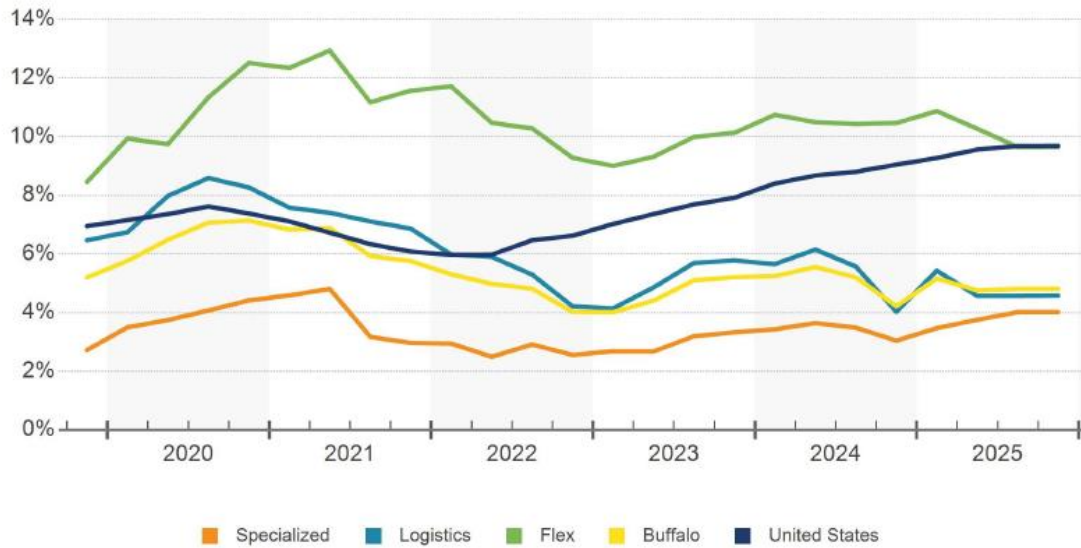
VACANCY RATE



Leasing

Buffalo Industrial

AVAILABILITY RATE

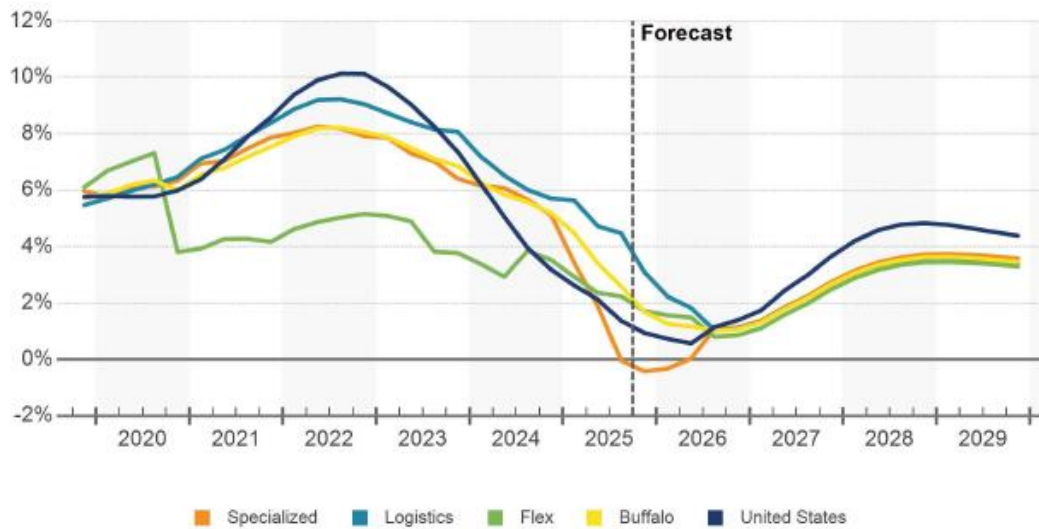


RENT TRENDS

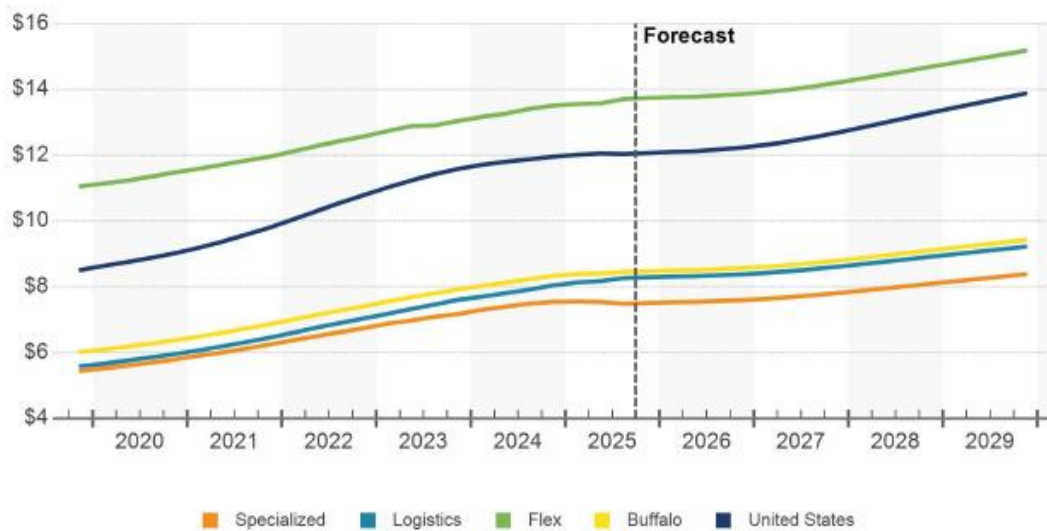
Rent

Buffalo Industrial

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET

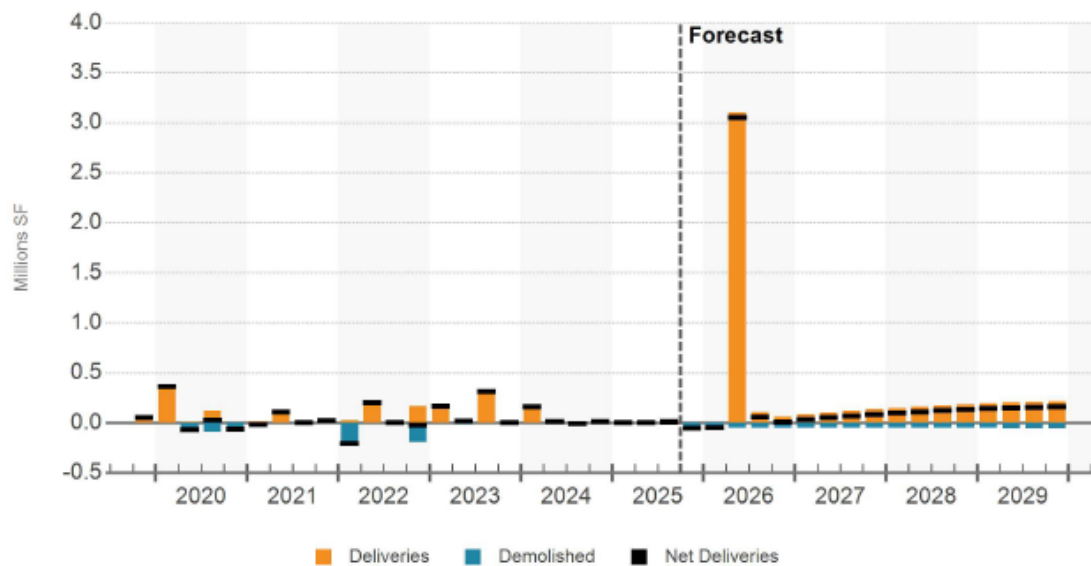


CONSTRUCTION

Construction

Buffalo Industrial

DELIVERIES & DEMOLITIONS



SUBMARKET CONSTRUCTION

No.	Submarket	Under Construction Inventory					Average Building Size		
		Bldgs	SF (000)	Pre-Leased SF (000)	Pre-Leased %	Rank	All Existing	Under Constr	Rank
1	Outlying Niagara County	1	3,100	3,100	100%	1	52,743	3,100,000	1
2	North	1	80	80	100%	1	48,047	80,000	2
3	Buffalo CBD	0	0	0	-	-	33,466	-	-
4	East	0	0	0	-	-	44,775	-	-
5	Greater Buffalo	0	0	0	-	-	49,956	-	-
6	Niagara Falls	0	0	0	-	-	37,976	-	-
7	Outlying Erie County	0	0	0	-	-	25,700	-	-
8	South	0	0	0	-	-	40,580	-	-
Totals		2	3,180	3,180	100%		45,079	1,590,000	

SALES ACTIVITY

“Investment activity slowed for the third consecutive quarter in Buffalo and sales through the first half of the year totaled \$53.8 million, a 34.00% decrease year over year.

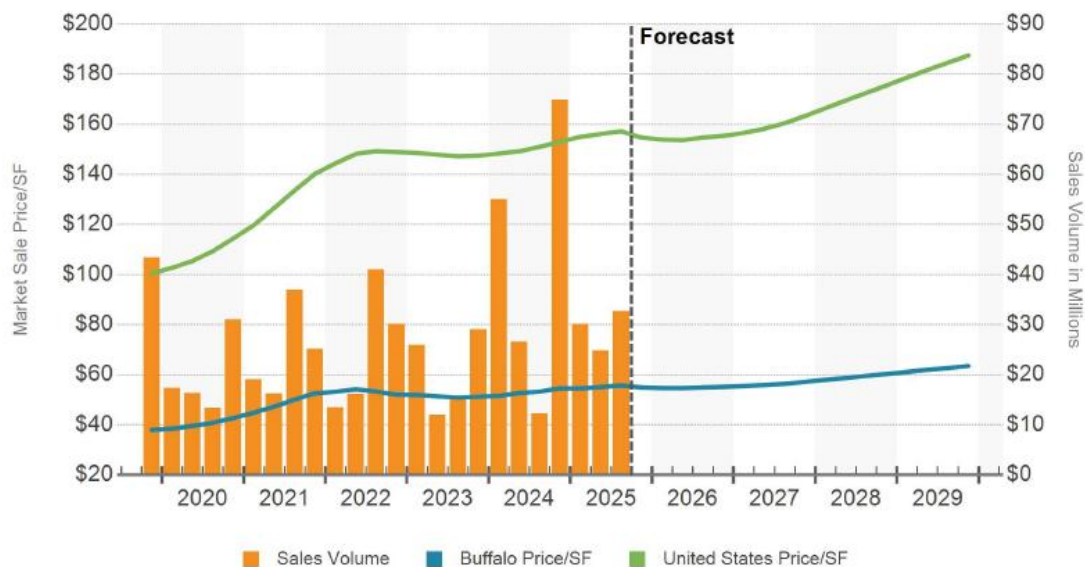
The buyer pool largely consists of private buyers, who have typically accounted for 54.00% of sales volume, while owner-users represent 30.00%. Institutional capital remains selective, focusing on well-leased, modern assets, and represents less than 10.00% of the buyer pool.

Most sales within the market consist of 2 & 3 Star assets under 100,000 SF. For example, the top sales year to date closed in June when a 28,600-Sf warehouse in the East Submarket sold for \$6.1 million (\$212.93/SF). JP Morgan Asset Management purchased the property from First Student.

Opportunistic investors are drawn to the Buffalo market given its steady rent growth, particularly among logistics properties. High-vacancy buildings typically trade at prices around \$50.00/SF. One example is a 60,000-SF warehouse along Jeffrey Boulevard in the South Submarket. A private buyer acquired the property from Shaker Realty for \$3.4 million (\$54.50/SF) and plans to advertise the building for lease.

As construction activity remains muted and leasing continues its upward trajectory, capital will likely continue to return to the Buffalo market.”

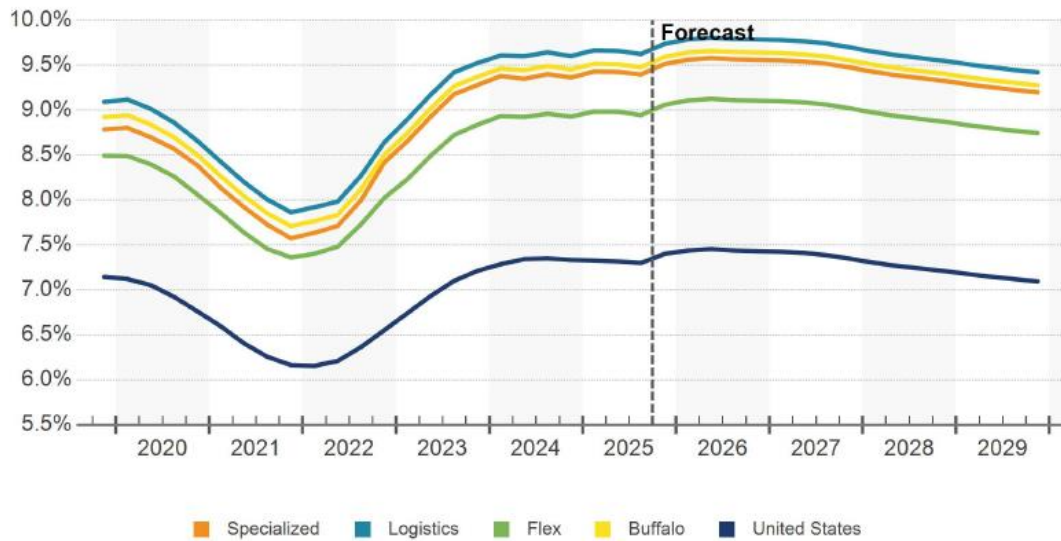
SALES VOLUME & MARKET SALE PRICE PER SF



Sales

Buffalo Industrial

MARKET CAP RATE



ECONOMY

“Historically recognized as a major industrial hub, Buffalo's economy has evolved from its roots in steel production and grain milling to a more diversified, service-oriented landscape. Today, healthcare and education are leading drivers of employment, with major institutions such as Kaleida Health, Catholic Health Systems, and the University at Buffalo anchoring the region's workforce. The financial sector, led by M&T Bank, and a growing presence in technology further contribute to the city's economic tapestry.

Despite these strengths, Buffalo faces demographic headwinds. The region's population has declined by 1.20% according to recent U.S. Census Bureau estimates, a trend mirrored by other upstate New York markets such as Rochester and Syracuse. This population loss weighs on demand for office-using employment, which remains 2.00% below pre-pandemic levels—among the weakest recoveries in the state. Nevertheless, Buffalo's affordability, access to higher education, and proximity to the Canadian border continue to attract both residents and businesses seeking a lower cost of living and strategic location.

Manufacturing remains a cornerstone of Buffalo's economy, supported by significant public and private investment. The \$900 million Solar City/Tesla project at Riverbend exemplifies the city's commitment to advanced manufacturing and clean energy, with the potential to create thousands of new jobs. Additionally, the redevelopment of a 35-acre former industrial site in the Northland Corridor into a light industrial business hub and workforce training center signals a renewed focus on industrial innovation and workforce development. These projects, along with Buffalo's access to Great Lakes trade routes, reinforce its role as a regional industrial gateway.

Looking ahead, Buffalo's economic outlook will depend on its ability to leverage its institutional strengths, attract new investment, and address demographic challenges. Ongoing efforts to revitalize industrial corridors, expand workforce training, and foster innovation in healthcare and technology position the market for gradual, sustainable growth. While population trends remain a concern, Buffalo's diversified economy and strategic location offer a foundation for resilience and long-term opportunity.”

BUFFALO EMPLOYMENT BY INDUSTRY IN THOUSANDS

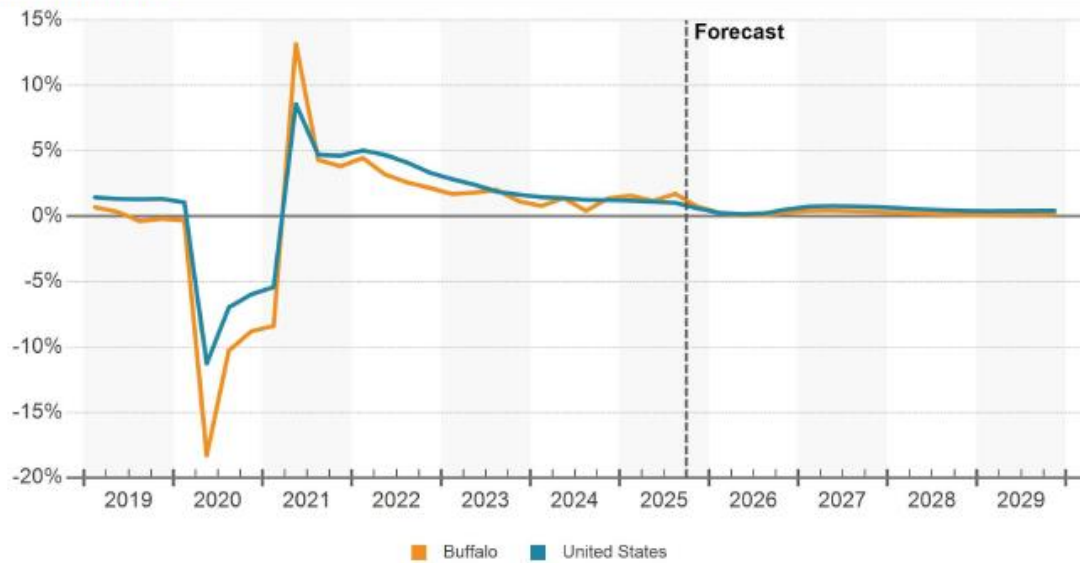
Industry	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	53	1.2	-0.90%	-0.89%	0.25%	0.30%	0.05%	0.11%
Trade, Transportation and Utilities	102	1.0	1.31%	0.64%	-0.14%	0.83%	-0.10%	0.24%
Retail Trade	59	1.1	1.60%	0.58%	-0.74%	0.02%	-0.13%	0.16%
Financial Activities	35	1.1	0.76%	0.94%	0.19%	1.29%	0.18%	0.29%
Government	90	1.1	0.91%	0.65%	0.48%	0.67%	0.09%	0.23%
Natural Resources, Mining and Construction	22	0.7	5.04%	1.07%	0.71%	2.09%	-0.11%	0.60%
Education and Health Services	103	1.1	3.14%	3.32%	0.75%	2.21%	0.33%	0.70%
Professional and Business Services	74	0.9	0.31%	0.12%	0.33%	1.33%	0.14%	0.66%
Information	5	0.5	-2.13%	0.42%	-2.77%	0.66%	0.09%	0.34%
Leisure and Hospitality	59	1.0	5.48%	1.31%	0.00%	1.14%	0.81%	0.82%
Other Services	21	1.0	0.93%	1.15%	-1.58%	0.73%	0.14%	0.23%
Total Employment	566	1.0	1.71%	1.02%	0.19%	1.17%	0.18%	0.45%

Source: Oxford Economics
LQ = Location Quotient

Economy

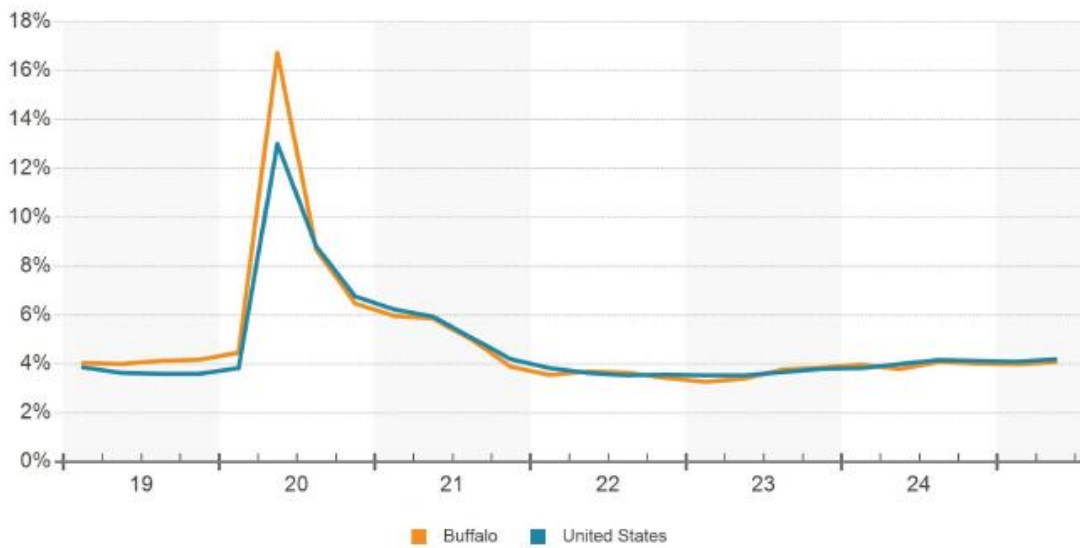
Buffalo Industrial

JOB GROWTH (YOY)



Source: Oxford Economics

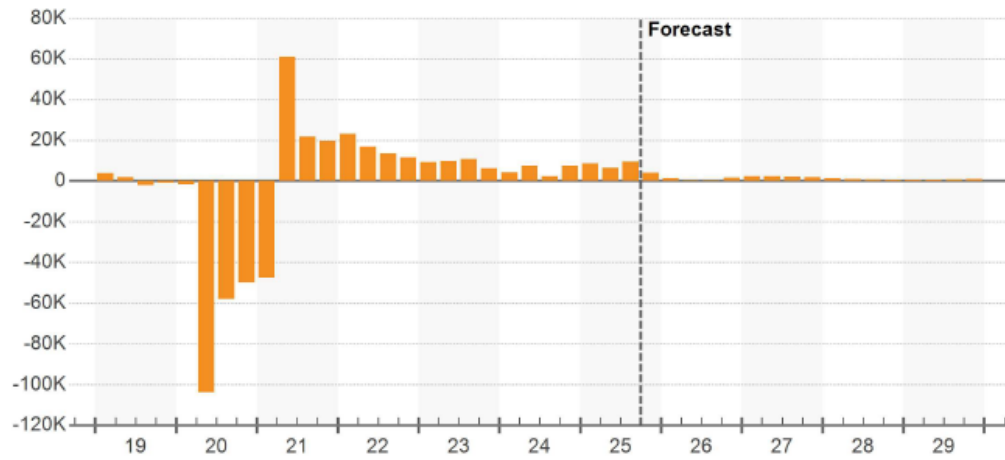
UNEMPLOYMENT RATE (%)



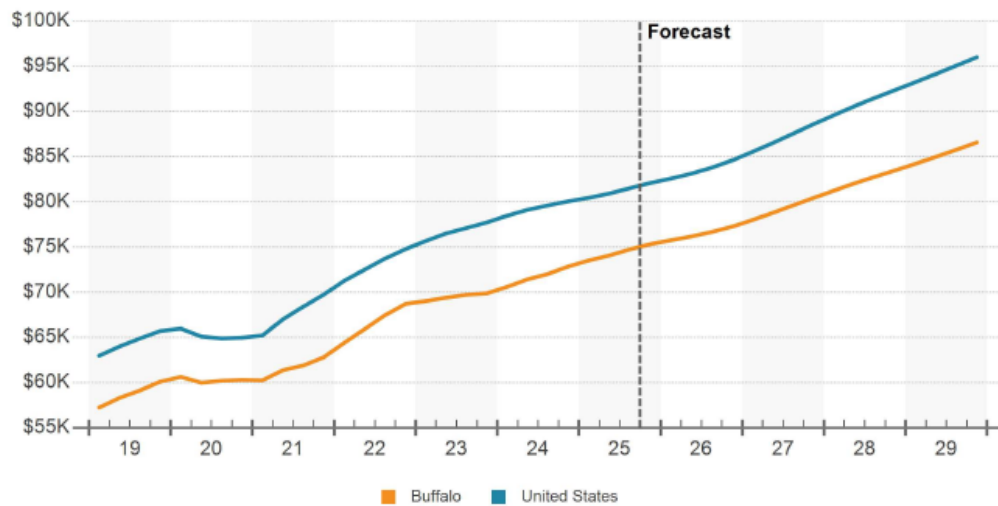
Economy

Buffalo Industrial

NET EMPLOYMENT CHANGE (YOY)



MEDIAN HOUSEHOLD INCOME



Section II – North Buffalo, NY Industrial Submarket Analysis

NORTH BUFFALO, NY SUBMARKET OVERVIEW

"The North industrial submarket has a vacancy rate of 4.30% as of the fourth quarter of 2025. Over the past year, the submarket's vacancy rate has changed by 0.80%, a result of no net delivered space and -190,000 SF of net absorption. North's vacancy rate of 4.30% compares to the submarket's five-year average of 3.40% and the 10-year average of 2.70%.

The North industrial submarket has roughly 900,000 SF of space listed as available, for an availability rate of 3.80%. As of the fourth quarter of 2025, there is 80,000 SF of industrial space under construction in North. In comparison, the submarket has averaged 35,000 SF of under construction inventory over the past 10 years.

The North industrial submarket contains roughly 23.9 million SF of inventory. The submarket has approximately 9.4 million SF of logistics inventory, 2.1 million SF of flex inventory, and 12.4 million SF of specialized inventory.

Market rents in North are \$8.90/SF. Rents average around \$9.00/SF for logistics buildings, \$12.50/SF for flex properties, and \$8.20/SF for specialized assets.

Rents have changed by 2.00% year over year in North, compared to a change of 2.50% market wide. Market rents have changed by 4.20% in logistics buildings year over year, 2.20% in flex buildings, and 0.10% in specialized buildings. In North, five-year average annual rent growth is 6.30% and 10-year average annual rent growth is 5.40%."

Overview

North Industrial

12 Mo Deliveries in SF

0

12 Mo Net Absorption in SF

(138K)

Vacancy Rate

4.3%

Market Asking Rent Growth

2.0%

KEY INDICATORS

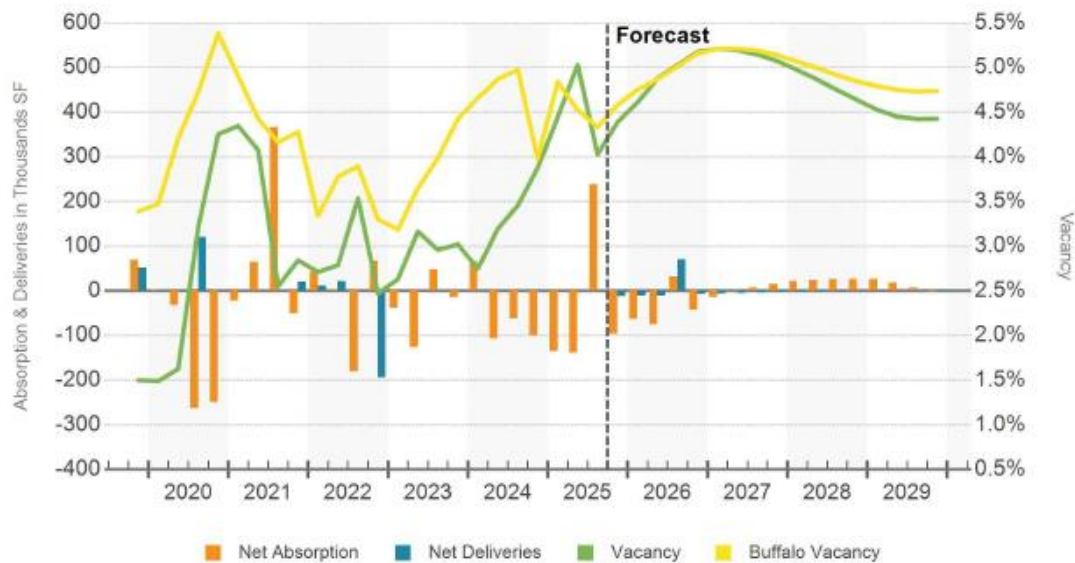
Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Logistics	9,439,724	5.0%	\$9.02	3.4%	0	0	80,000
Specialized Industrial	12,354,968	3.3%	\$8.19	3.3%	(57,345)	0	0
Flex	2,080,482	7.1%	\$12.53	8.6%	0	0	0
Submarket	23,875,174	4.3%	\$8.89	3.8%	(57,345)	0	80,000
Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.6% (YOY)	3.7%	4.8%	8.4%	2007 Q2	1.4%	2019 Q2
Net Absorption SF	(138K)	39,002	(2,135)	1,189,718	2008 Q2	(572,097)	2021 Q1
Deliveries SF	0	39,638	43,131	170,500	2020 Q3	0	2025 Q3
Market Asking Rent Growth	2.0%	3.1%	2.6%	8.3%	2022 Q3	-3.2%	2010 Q3
Sales Volume	\$28.6M	\$14.8M	N/A	\$56.2M	2024 Q4	\$3.9M	2019 Q1

LEASING

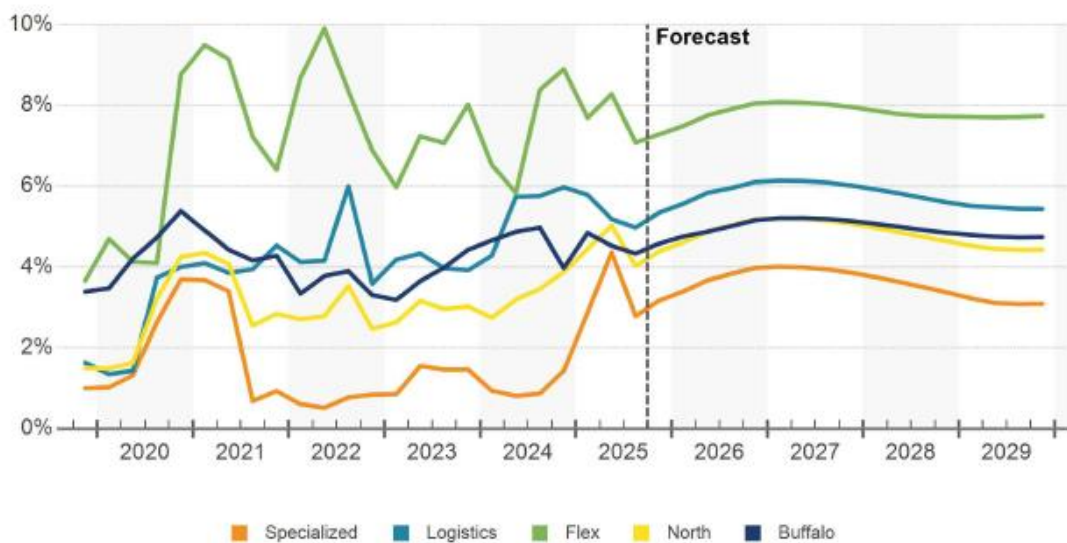
Leasing

North Industrial

NET ABSORPTION, NET DELIVERIES & VACANCY



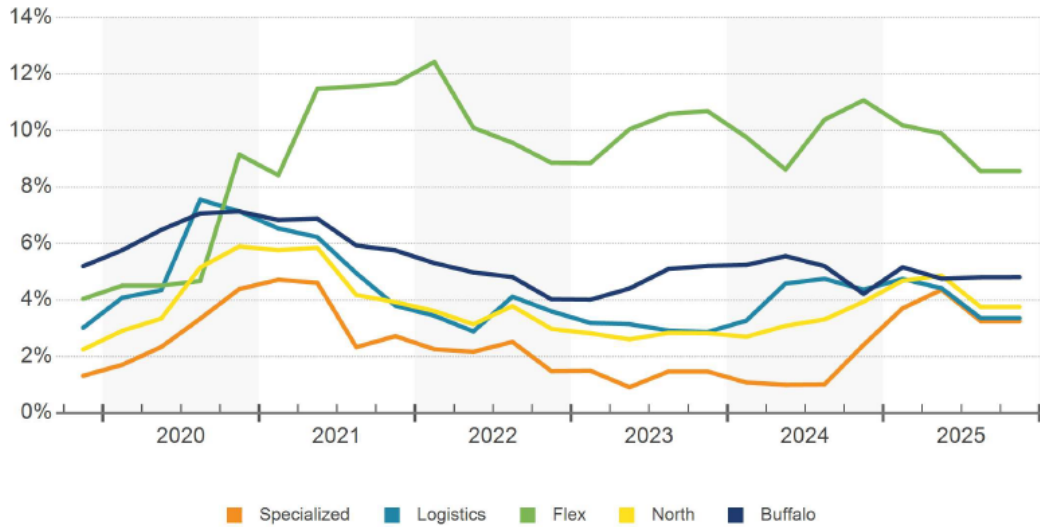
VACANCY RATE



Leasing

North Industrial

AVAILABILITY RATE

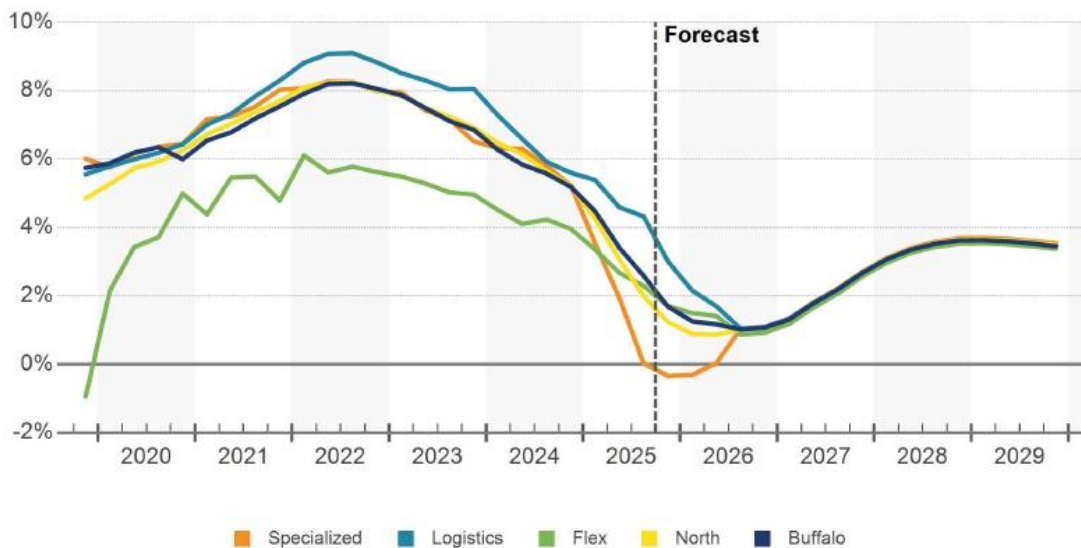


RENT TRENDS

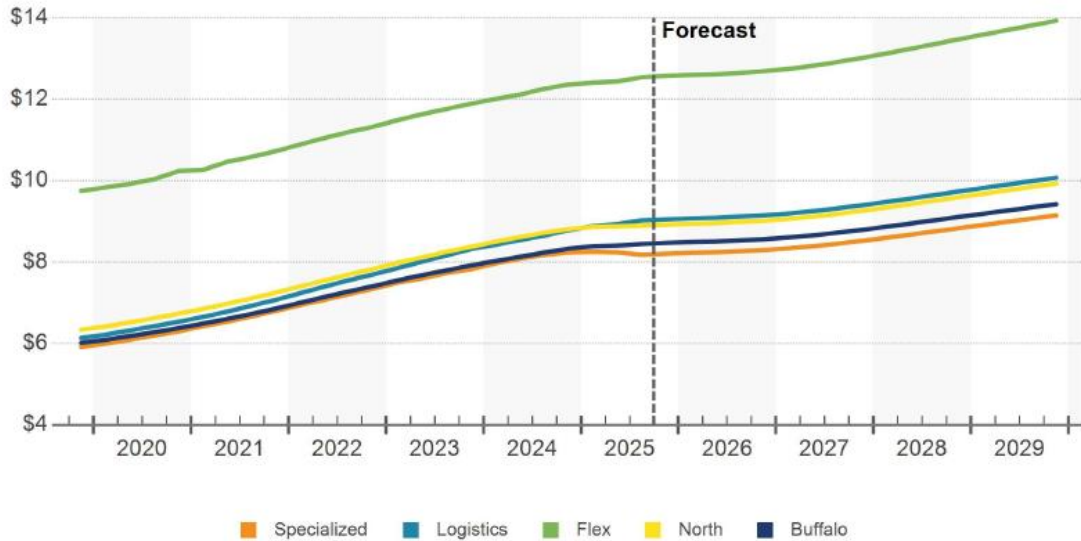
Rent

North Industrial

MARKET ASKING RENT GROWTH (YOY)



MARKET ASKING RENT PER SQUARE FEET

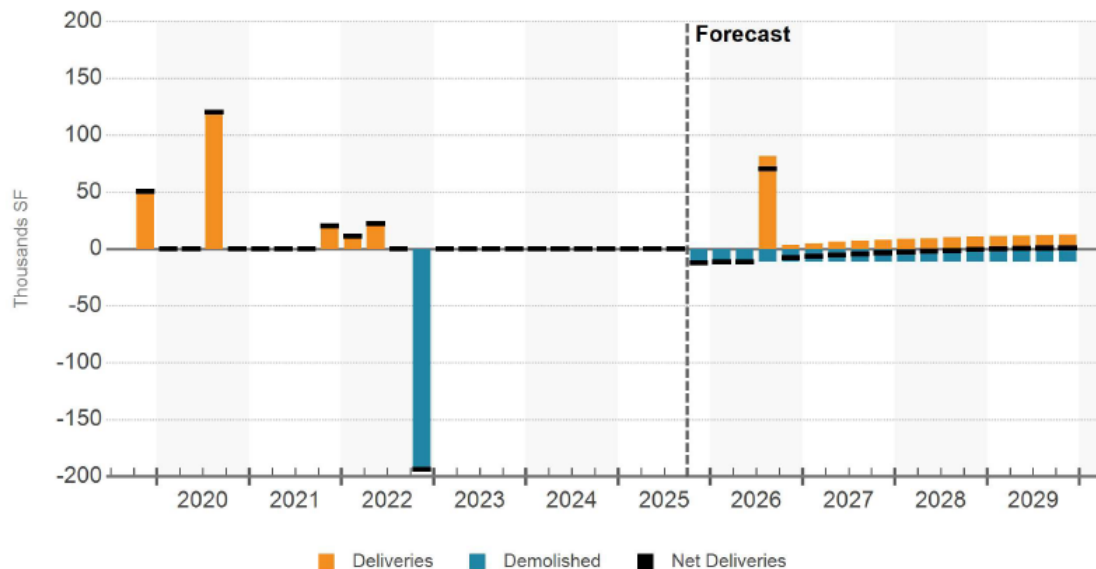


CONSTRUCTION

Construction

North Industrial

DELIVERIES & DEMOLITIONS

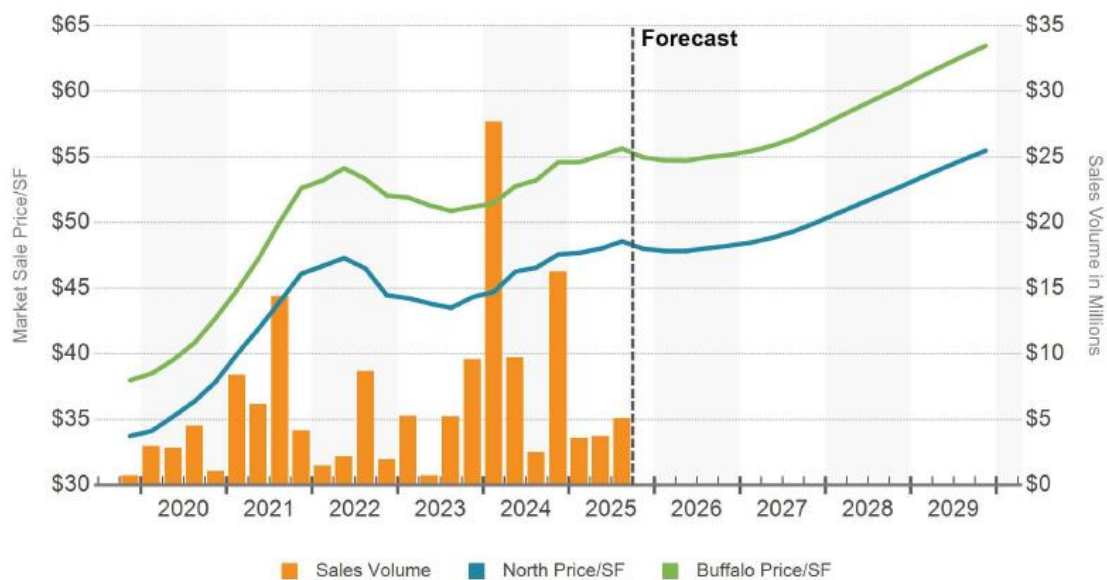


SALES ACTIVITY

“Over the past year, 24 industrial properties traded in North, accounting for 460,000 SF of inventory turnover. Industrial sales volume in North has totaled \$28.6 million over the past year. Average annual sales volume over the past five years is \$27.4 million and \$19.2 million over the past 10 years.

Estimated industrial market pricing in North is \$49.00/SF compared to the market average of \$56.00/SF. Average market pricing for North is estimated at \$50.00/SF for logistics properties, \$74.00/SF for flex assets, and \$43.00/SF for specialized buildings. The estimated market cap rate for North industrial matches the market average of 9.50%.”

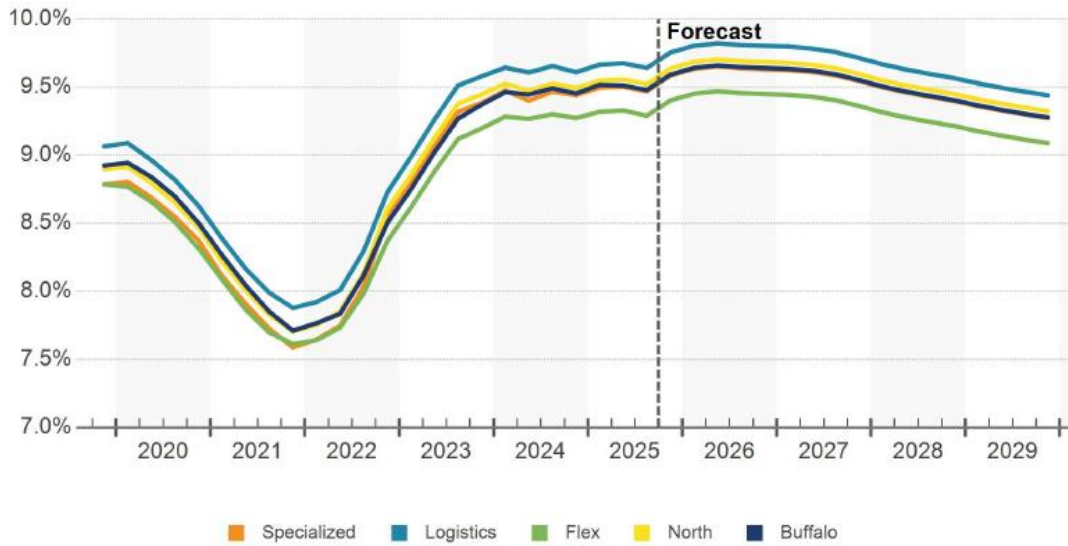
SALES VOLUME & MARKET SALE PRICE PER SF



Sales

North Industrial

MARKET CAP RATE



Section III – 10 Sheridan Drive, Tonawanda, NY 14150

Summary

Summary of Salient Facts

Valuation Parameters

<i>Intended Use</i>	Internal Planning
<i>Intended User</i>	Duro Tire & Wheel, Inc.
<i>Valuation Date:</i>	6/30/2025
<i>Premise of Value</i>	In Exchange
<i>Interest Appraised</i>	Fee Simple

Valuation Summary

<i>Fair Market Value</i>	\$28,150,000
<i>Percent of Total Real Property</i>	100.00%
<i>Date of Inspection</i>	9/30/2025

Subject Property

<i>Property Name</i>	Sumitomo Corporation - Tonawanda Facility
<i>Recorded Owner</i>	Sumitomo Corporation
<i>Address</i>	10 Sheridan Dr
<i>City, State</i>	Tonawanda, NY
<i>County</i>	Erie

Improvements Description

<i>Property Type:</i>	Industrial
<i>Property Type (MVS):</i>	Light Manufacturing
<i>Gross Building Area (SF)</i>	1,997,536
<i>Number of Stories</i>	1
<i>Clear Height (Ft.)</i>	18.0
<i>Perimeter (Ft.)</i>	7,500
<i>Year Built:</i>	1920
<i>Year Renovated:</i>	2022
<i>Sprinklered</i>	Yes
<i>Tenancy</i>	Owner Occupied
<i>HVAC</i>	Space Heaters
<i>Construction Type</i>	Masonry
<i>Construction Class</i>	Class C
<i>Construction Quality</i>	Low Cost

Land Description

<i>Land Size (SqFt):</i>	5,752,198
<i>Land Size (Acres):</i>	132.05

Parcel Numbers

<i>Parcel ID 1</i>	65.17-2-1.111
<i>Parcel ID 2</i>	65.17-2-1.2
<i>Parcel ID 3</i>	65.17-2-1.12
<i>Parcel ID 4</i>	65.13-3-1



10 Sheridan Drive
Tonawanda, NY
Industrial

Land Valuation

COMPARABLE LAND SALE ADJUSTMENTS	
Annual Market Condition Adjustment	2.0%
Date of Value	30-Jun-25
Show Transactional Detail	Yes
Unit of Comparison	per Acre (Net)

LAND: COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
Property Name	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Address	Sumitomo Corporation - Tonawanda Facility	Land Sale	Land Sale	Land Sale	Land Sale	Land Sale
City, State	10 Sheridan Dr Tonawanda, NY	7000 Appletree Ave Bergen, NY	26 Bailey Ave Buffalo, NY	1926 Alvin Rd Grand Island, NY	4002 River Rd Tonawanda, NY	1001 Junction Rd Lockport, NY
Date of Sale	Jun-25	Oct-24	Aug-24	Oct-22	Jun-22	For Sale
Transaction Status	—	Closed	Closed	Closed	Closed	Active Listing
Property Rights	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site Size (SF)	5,752,198 SF	1,306,800 SF	2,700,720 SF	2,071,278 SF	2,178,000 SF	1,785,960 SF
Acres	132.05	30.00	62.00	47.55	50.00	41.00
Zoning (Land Use)	GI, General Industrial	Interchange, Industrial	C-R, Commercial	B1, Industrial	Industrial	Industrial
Sale Price	—	\$1,140,000	\$2,690,000	\$2,000,000	\$1,260,000	\$1,280,000
Unadjusted Price per Land Acre (Net)		\$38,000	\$43,387	\$42,061	\$25,200	\$31,220
Transactional Adjustments						
Property Rights Conveyed	Fee Simple	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Financing	Normal	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Terms/Conditions of Sale	None	Similar	Similar	Similar	Similar	Active Listing
Adjustment		0%	0%	0%	0%	-10%
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Market Conditions	Jun-25	Oct-24	Aug-24	Oct-22	Jun-22	For Sale
Adjustment		1%	2%	5%	6%	0%
Total Transactional Adjustments		1%	2%	5%	6%	-10%
Adjusted Price per Acre (Net)		\$38,380	\$44,255	\$44,164	\$26,712	\$28,098
Property Adjustments						
Location	Tonawanda, NY	Superior	Similar	Similar	Similar	Inferior
Adjustment		-5%	0%	0%	0%	5%
Site Size (AC)	132.05	Superior	Superior	Superior	Superior	Superior
Adjustment		-10%	-8%	-8%	-8%	-8%
Site Shape	Slightly Irregular	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Zoning (Land Use)	GI, General Industrial	Similar	Superior	Similar	Similar	Similar
Adjustment		0%	-8%	0%	0%	0%
Frontage	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Utilities	All Utilities	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Other Factors	Rail Spurs	Inferior	Similar	Inferior	Inferior	Inferior
Adjustment		-10%	0%	-3%	-3%	-3%
Total Property Adjustments		-10%	-10%	-3%	-3%	-3%
Indication for Subject:		\$34,542	\$39,829	\$43,060	\$26,044	\$27,398

SALES SUMMARY		
	Unadjusted	Adjusted
Minimum	\$25,200	\$26,044
Maximum	\$43,387	\$43,060
Average	\$35,974	\$34,174

LAND SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per Acre	\$32,000
Site Size (SF)	132.05
Indicated Value	\$4,226,073
Rounded to nearest \$10,000	\$4,200,000

Building Improvements

Cost Approach Summary			
Building Number		1	
Building Type/ Name		Industrial	
Property Type (MVS)		Light Manufacturing	
MVS Construction Class		Class C	
MVS Construction Quality		Low Cost	
MVS Section		Section 14	
MVS Page		Page 14	
MVS Date		Feb-24	
Base Cost	\$	52.50	
+ HVAC Adjustment		-	
+ Sprinklers		1.86	
Adjusted Base Cost per Square Foot	\$	54.36	
Height and Size Refinements			
Number of Stories Multiplier		1.000	
Building Height Multiplier		1.086	
Perimeter Multiplier		0.841	
Adjusted Base Cost per Square Foot	\$	49.65	
Final Calculations			
Current Cost Multiplier		1.040	
Local Area Multiplier		1.110	
Adjusted Base Cost per Square Foot	\$	57.31	
Structure Size (SF)		1,997,536	1,997,536
Adjusted Cost	\$	114,487,007	
+ Indirect Costs @ 5.0%	5.0%	\$ 5,724,350	
Adjusted Cost	\$	120,211,357	
+ Entrepreneurial Profit @ 5.0%	5.0%	\$ 6,010,568	
Replacement Cost New (RCN)	\$	126,221,925	126,221,925
Total Replacement Cost New (RCN)/SF			\$63.19 / SF
Accrued Depreciation, Age-Life Analysis			
Building Number		1	
Year Built		1920	
Actual Age		105	
Percent Depreciated		80.0%	
Applied Depreciation	\$	(100,977,540)	
RCN Less Accrued Depreciation (RCNLD)	\$	25,244,385	\$ 25,244,385
- Functional Obsolescence @ 15.0%	15.0%	\$ (3,786,658)	
Adjusted RCN	\$	21,457,727	
- Economic Obsolescence @ 0.0%	0.0%	\$ -	
RCNLD	\$	21,457,727	
% of Total RCN		85.0%	
All Structures			
Total Replacement Cost New/SF	\$	126,221,926	\$63.19 / SF
- Total Depreciation	\$	(100,977,541)	
- Functional Obsolescence	\$	(3,786,658)	
- Economic Obsolescence	\$	-	
Total RCN Less Depreciation (RCNLD)/SF	\$	21,457,727	\$10.74 / SF
x Adjustment Factor		1.000	
Adjusted Indicated Value	\$	21,457,727	\$10.74 / SF
Value USD (Rd.)	\$	21,500,000	\$10.76 / SF

Notes:

Functional obsolescence is applied at 15.00% considering observations during site inspection of facility layout and overall usage.



10 Sheridan Drive
Tonawanda, NY
Industrial

Site Improvements

Cost Approach Summary (Site Improvements)														
Site Improvements Replacement Cost New													MVS December-23	
Item	MVS	Page	Measure	Unit Type	Cost / Unit	Cost New	Current Multiplier	Local Multiplier	Combined Multiplier	Adjusted Cost New	Indirect Costs @ 5.0%	Adjusted Costs	Profit @ 5.0% RCN	
Concrete Pavement	Section 66	Page 1	260,000	SF	5.95	1,547,000	1.02	0.93	0.94	1,460,722	73,036	1,533,758	76,698	1,610,446
Railroad Spurs (9 Switches)	Section 66	Page 3	7,575	LF	273.42	2,071,181	1.02	0.93	0.94	1,955,669	97,783	2,053,452	102,873	2,156,125
Surface Parking	Section 66	Page 3	1,000	EA	1,740	1,740,000	1.02	0.93	0.94	1,642,958	82,148	1,725,106	86,255	1,811,361
Landscaping	Section 66	Page 8	3,000,000	SF	3.12	9,360,000	1.02	0.93	0.94	8,837,979	441,899	9,279,878	463,994	9,743,872
Totals						14,718,181					694,866	14,592,194	729,610	15,321,803
Site Improvements Depreciation														
Item					RCN		% Depr.	Age/Life Depreciation	Adjusted Total		Functional Obsolescence	RCNLD		
Concrete Pavement					1,610,446		80.0%	(1,288,356)	322,089		(48,313)	273,776		
Railroad Spurs (9 Switches)					2,156,125		80.0%	(1,724,900)	431,225		(64,684)	366,541		
Surface Parking					1,811,361		80.0%	(1,449,089)	362,272		(54,341)	307,931		
Landscaping					9,743,872		80.0%	(7,795,098)	1,948,774		(292,316)	1,656,458		
Total Site Improvements						15,321,803		(12,257,443)	3,064,361		(459,654)	\$ 2,604,707		
x Adjustment Factor												1,000		
Adjusted Indicated Value												\$ 2,604,707		
Value (Rd.)												\$ 2,600,000		
Value USD (Rd.)												\$ 2,600,000		



10 Sheridan Drive
Tonawanda, NY
Industrial

Sales Comparison Approach

COMPARABLE IMPROVED SALE ADJUSTMENTS	
Annual Market Condition Adjustment	2.00%
Date of Value	30-Jun-25
Show Transactional Detail	Yes
Unit of Comparison	per SF (Net)

COMPARABLE SALE SUMMARIES AND ADJUSTMENTS						
	Subject	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Property Name	Sumitomo Corporation - Tonawanda	Industrial Sale	Garden State Growers	Industrial Sale	Industrial Sale	Lordstown Motors
Property Address	10 Sheridan Dr	148 Hudson River Rd	6071 Durham Rd	5555 Rockwell Rd	2424 W 23rd St	2300 Hallock Young Rd
City, State	Tonawanda, NY	Waterford, NY	Pipersville, PA	Winchester, KY	Erie, PA	Warren, OH
Date of Sale	Jun-25	Apr-25	Jul-24	Feb-24	Dec-23	May-22
Transaction Status	--	Closed	Closed	Closed	Closed	Closed
Property Rights	Fee Simple	Fee Simple	Fee Simple	Leased Fee	Fee Simple	Leased Fee
Year Built / Renovated	1920 / 2022	1950	1980	1970	1954	1988
Building Size (SF)	1,997,536 SF	585,218 SF	561,638 SF	607,412 SF	612,345 SF	4,321,531 SF
Percentage Office	4.10%	Assumed Similar	Assumed Similar	8.10%	20.20%	Assumed Similar
Building Class	Class C, Low Cost	Class C, Average	Class S, Average	Class B, Average	Class C, Average	Class C, Average
Clear Height (Ft.)	18.0 Ft.	33'0"	20'0"	20'0"	20'0"	20'0"
Site Size (SF)	5,752,198 SF	1,200,514 SF	2,612,293 SF	1,953,666 SF	1,163,488 SF	27,878,400 SF
Site Size (AC)	132.05 AC	27.56 AC	59.97 AC	44.85 AC	26.71 AC	640.00 AC
Land to Building Ratio	2.9:1	2:1:1	4.7:1	3.2:1	1.9:1	6.5:1
Property Type	Light Manufacturing	Light Manufacturing	Light Manufacturing	Light Manufacturing	Light Manufacturing	Light Manufacturing
Unadjusted Price per SF (Net)	--	\$14.52	\$7.03	\$15.15	\$11.43	\$18.16
Transactional Adjustments						
Property Rights Conveyed	Fee Simple	Similar	Similar	Inferior	Similar	Inferior
Adjustment		0%	0%	5%	0%	5%
Financing	Normal	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Terms/Conditions of Sale	None	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Expenditures After Sale	None	Similar	Similar	Similar	Similar	Similar
Adjustment		0%	0%	0%	0%	0%
Market Conditions	Jun-25	Apr-25	Jul-24	Feb-24	Dec-23	May-22
Adjustment		0%	2%	3%	3%	6%
Total Transactional Adjustments		0%	2%	8%	3%	11%
Adjusted Price per SF (Net)		\$14.52	\$7.17	\$16.38	\$11.77	\$20.22
Property Adjustments						
Location	Tonawanda, NY	Inferior	Inferior	Similar	Similar	Similar
		10%	10%	0%	0%	0%
Building Size (SF)	1,997,536 SF	Superior	Superior	Superior	Superior	Inferior
		-5%	-5%	-5%	-5%	5%
Condition	Average	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
Land-To-Building Ratio	2.9:1	Similar	Superior	Similar	Inferior	Superior
		0%	-5%	0%	5%	-5%
Clear Height(s)	18.0 Ft.	Superior	Similar	Similar	Superior	Similar
		-5%	0%	0%	-5%	0%
% Office	4.10%	Inferior	Inferior	Superior	Superior	Similar
		0%	0%	-5%	-10%	0%
Property Type	Light Manufacturing	Similar	Similar	Similar	Similar	Similar
		0%	0%	0%	0%	0%
Other/Economic Conditions	Rail Spurs	Similar	Inferior	Similar	Inferior	Similar
		0%	5%	0%	5%	0%
Total Property Adjustments		0%	5%	-10%	-10%	0%
Indication for Subject:		\$14.52	\$7.53	\$14.74	\$10.60	\$20.22

SALES SUMMARY	Unadjusted	Adjusted
Minimum	\$7.03	\$7.53
Maximum	\$18.16	\$20.22
Average	\$13.26	\$13.52

SALES COMPARISON APPROACH VALUE CONCLUSION	
Indicated Value per SF	\$14.00
Building Area (SF)	x 1,997,536
Indicated Value	\$27,965,504
Rounded to nearest \$100,000	\$28,000,000



RECONCILIATION AND VALUE CONCLUSION

Reconciliation is utilized to support a reliable and defensible value opinion. The three primary criteria considered in the reconciliation of value are appropriateness, accuracy, and quantity of evidence.

All valuation approaches discussed above have been considered. GA Group has developed the cost approach and the sales comparison approach in preparation of this report. The income capitalization approach was not developed considering the owner-user nature of the Subject.

CONCLUSION OF FAIR MARKET VALUE

Based upon this analysis, the concluded Fair Market Value of the Subject is concluded to be:

Reconciliation of Value			
Approach to Value	Concluded Value		PSF
Cost Approach	\$	28,300,000	\$ 14.17
Sales Comparison Approach		28,000,000	14.02
Income Capitalization Approach		N/A	N/A
Concluded Fair Market Value	\$	28,150,000	\$ 14.09

APPENDICES

Appendix A – Certification

CERTIFICATION

I certify, except as otherwise noted in this appraisal report, that to the best of my 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 my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- I have performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding the agreement to perform this assignment.
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- My engagement in this assignment was not contingent upon developing or reporting predetermined results.
- My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- My analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice.
- I have not made a personal inspection of the property that is the subject of this report.
- Paul Munro, ASA has performed a site inspection of the Subject as previously indicated.
- Robert J. Meulmeester, MRICS, and Zach Blicksilver have provided significant real property appraisal assistance to the person signing this certification.
- The report analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the RICS Valuation – Professional Standards, the “Red Book”.



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Appendix B – Assumptions and Limiting Conditions

This appraisal report is based on the following general assumptions:

- This report is for Client to which it is addressed and is to be used by Client only for the purpose stated in the report. No reliance is to be placed on this report for any other purpose, nor shall it be published, distributed, or shown to other parties except to the party to whom the report is addressed.
- No responsibility is assumed for the legal description provided or for matters pertaining to legal or title considerations. Title to the subject is assumed to be good and marketable unless otherwise stated.
- The subject is appraised free and clear of all liens and encumbrances unless otherwise stated.
- Responsible ownership and competent property management are assumed.
- The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy. We reserve the right to make appropriate revisions in the event of discovery of additional data.
- All engineering studies are assumed to be correct. The plot plans and illustrative material in this report are included only to help the reader visualize the subject.
- It is assumed that there are no hidden or unapparent conditions of the subject, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for obtaining the engineering studies that may be required to discover them.
- It is assumed that the subject is in full compliance with all applicable federal, state, and local environmental regulations and laws unless the lack of compliance is stated, described, and considered in the report.
- It is assumed that the subject conforms to all applicable zoning and use regulations and restrictions unless a nonconformity has been identified, described, and considered in the appraisal report.
- It is assumed that all required licenses, certificates of occupancy, consents, or other legislative or administrative authority from any local, state, or national government or private entity or organization have been or can be obtained or renewed for any use on which the value opinion contained in this report is based.
- It is assumed that the use of the land and improvements is confined within the boundaries or property lines of the subject described and that there is no encroachment or trespass unless noted in this report.
- Unless otherwise stated in this report, the existence of hazardous material, which may or may not be present on the subject, was not observed. We have no knowledge of the existence of such materials on or in the subject. However, we are not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation, and other potentially hazardous materials may affect the value of the subject. The value opinion is predicated on the assumption that there is no such material on or in the subject that would cause a loss in value. No responsibility is assumed for such conditions or for any expertise or engineering knowledge required to discover them. Client is urged to retain an expert in this field, if desired.
- The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey and analysis of the property to determine whether or not it conforms to the various detailed requirements of the ADA. It is possible that a compliance survey of the subject, together with a detailed analysis of the requirements of the ADA, could reveal that the subject is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the subject. Since we have no direct evidence relating to this issue, possible non-compliance with the requirements of the ADA is not considered in our value opinion of the subject.
- This report covers only the real property described herein. Unless specifically stated to the contrary, it does not include consideration of mineral rights or related right of entry, nor personal property or the removal thereof. Values reported herein are not intended to be valid in any other context, nor are any conclusions as to unit values applicable to any other property or utilization that are specifically identified herein.

- The conclusions stated herein, including values that are expressed in terms of the U.S. Dollar, apply only as of the valuation date, and are based on prevailing physical and economic conditions and available information at that time. No representation is made as to the effect of subsequent events.

This appraisal report is based on the following general limiting conditions:

- Date(s) and definitions of value, together with other definitions and assumptions on which the analyses are based, are set forth in the appropriate sections of this report. These are to be considered part of the limiting conditions as if included here in their entirety.
- Any allocation of the total value presented in this report between the land and improvements applies only under the stated program of utilization. The separate values allocated to the land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
- Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any other person than the party to whom it is addressed without our prior written consent, and then only with proper written qualification and only in its entirety.
- We, by reason of this report, are not required to give further consultation or testimony or to be in attendance in court with reference to the subject unless arrangements have been previously made.
- This report has not been prepared for syndication purposes nor is it to be used for syndication purposes without our consent and then only with proper qualifications.
- Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraiser, or the firm with which the appraiser is connected) shall be disseminated to the public through advertising, public relations, news, sales, or other media without the prior written consent and approval of the appraiser.
- Any value opinions provided in this report apply to the entire property and any proration or division of the total into fractional interests will invalidate the value opinions, unless such proration or division of interests has been set forth in the report.
- If the subject is proposed, only preliminary plans and specifications were available for use in the preparation of this appraisal. If the plans and specifications change, we reserve the right to amend this appraisal.
- Any proposed improvements are assumed to have been completed unless otherwise stipulated; any construction is assumed to conform to the building plans referenced in the report.
- We assume that the reader or user of this report has been provided with copies of available building plans and all leases and amendments, if any, that encumber the subject.
- If no legal description or survey was furnished, we used other methods as described in the report to ascertain the physical dimensions and acreage of the subject. Should a survey prove this information to be inaccurate, it may be necessary for this appraisal to be adjusted.
- The forecasts, projections, or operating estimates contained herein are based on current market conditions, anticipated short-term supply and demand factors, and a continued stable economy. These forecasts are, therefore, subject to changing future economic conditions.

Appendix C – Appraisal Definitions

The following definition is taken from Financial Institutions Reform, Recovery and Enforcement Act ("FIRREA") Regulations, per final rule, 12 CFR Part 34, (Docket No. 90-16), Federal Register, Volume 56 Number 165, March 31, 1994, effective June 7, 1994, Rules & Regulations.

- Market Value: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and passing of title from seller to buyer under conditions whereby:
 1. Buyer and seller are typically motivated;
 2. Both parties are well informed or well advised, and acting in what they consider their own best interests;
 3. A reasonable time is allowed for exposure in the open market;
 4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
 5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

The following definition is taken from Treas. Regs. §20.2031-1(b) and §25.2512-1; Rev. Rul. 59-60, 1959-1 C.B. 237:

- Fair Market Value: The price at which a property would exchange between a willing buyer and a willing seller, when the former is not under any compulsion to buy, and the latter is not under any compulsion to sell, both having reasonable knowledge of the relevant facts.

The following definitions are taken from *The Dictionary of Real Property Appraisal, Sixth Edition (2015)*, published by the Appraisal Institute.

- Appraisal Report (listed in dictionary as report): (1) The final communication, written or oral, of an appraisal transmitted to the client. Finality is evidenced by the presence of the valuer's signature in a written report or a statement of finality in an oral report. All communications to the client prior to the final communication must be conspicuously designated as such. (SVE, CPE) (2) Any communication, written or oral, of an appraisal or appraisal review that is transmitted to the client upon completion of an assignment. Comment: Most reports are written, and most clients mandate written reports. Oral report requirements (see the Record Keeping Rule) are included to cover court testimony and other oral communications of an appraisal or appraisal review. (USPAP, 2016-2017 ed.)
- Cash-Equivalent Price: The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale.
- Contract Rent: The actual rental income specified in a lease.
- Cost Approach: A set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.
- Deferred Maintenance: Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of the property, such as a broken window, a dead tree, a leak in the roof, or a faulty roof that must be completely replaced. These items are almost always curable.
- Direct Capitalization: A method used to convert an estimate of a single year's income expectancy into an indication of value in one direct step, either by dividing the net income estimate by an appropriate capitalization rate or by multiplying the income estimate by an appropriate factor. Direct capitalization employs capitalization rates and

multipliers extracted or developed from market data. Only a single year's income is used. Yield and value changes are implied, but not explicitly identified.

- Discounted Cash Flow (DCF) Analysis: The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate.
- Disposition Value: See Liquidation Value.
- Distress Sale: A sale involving a seller acting under undue duress.
- 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.
- Extraordinary Assumption: An assumption, directly related to a specific assignment, as of the effective date of the assignment results, which, if found to be false, could alter the appraiser's opinions or conclusions. Comment: Extraordinary assumptions presume as fact otherwise uncertain information 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. (USPAP, 2016-2017 ed.)
- 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.
- Going-Concern Value: An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern* or *market value of the total assets of the business*.
- Gross Lease: A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called *full-service lease*.
- Highest and Best Use: The reasonably probable use of property that results in the highest value. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
- Hypothetical Condition: 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. 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. (USPAP, 2016-2017 ed.)
- Income Capitalization Approach: Specific appraisal techniques that are applied to develop a value indication for a property based on its earning capability and calculated by the capitalization of property income.
- Insurable Value: A type of value for insurance purposes.
- 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 should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. 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 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 reflecting the conditions and restrictions of a specified lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs).
- Personal Property: (1) The interests, benefits, and rights inherent in the ownership of tangible objects that are considered by the public as being personal; also called *tangible personal property*. (2) Identifiable tangible objects that are considered by the general public as being “personal”—for example, furnishings, artwork, antiques, gems and jewelry, collectibles, machinery, and equipment; all tangible property that is not classified as real estate. (USPAP, 2016-2017 ed.)
- Physical Deterioration: The wear and tear that begins when a building is completed and placed into service.
- Real Property: (1) An interest or interests in real estate. (2) The interests, benefits, and rights inherent in the ownership of real estate. Comment: In some jurisdictions, the terms *real estate* and *real property* have the same legal meaning. The separate definitions recognize the traditional distinction between the two concepts in appraisal theory. (USPAP, 2016-2017 ed.)
- Real Property (as listed in the IVS Glossary): All rights, interests, and benefits related to the ownership of real estate.
- Restricted Appraisal Report: A written report prepared under Standards Rule 2-2(b), 8-2(b), or 10-2(b) of the Uniform Standards of Professional Appraisal Practice (2016-2017 ed.).
- Sales Comparison Approach: The process of deriving a value indication for the subject property by comparing sales of similar property with the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable property based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved property, vacant land, or land being considered as though vacant when an adequate supply of comparable sales is available.
- Triple Net Lease (listed in dictionary as net net net lease): An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management; also called *NNN lease*, *triple net lease* or *fully net lease*.
- Vacancy and Collection Loss: A deduction from potential gross income (PGI) made to reflect income reductions due to vacancies, tenant turnover, and nonpayment of rent; also called vacancy and credit loss or vacancy and contingency loss.

Appendix D – Statement of Qualifications

QUALIFICATIONS



Neil F. Axler, MRICS

Neil F. Axler is a Managing Director at Eisner Advisory Group LLC in the Forensic, Litigation and Valuation Services Group. He has more than two decades of valuation consulting experience in individual assets and portfolios of income-producing commercial and industrial properties.

Mr. Axler has inspected and managed assignments in most metropolitan areas in the U.S. and the U.S. Territories. His international experience included appraising numerous commercial property types in China, France, England, Ireland, Netherlands, Italy, Hungary, Austria, Ukraine, Denmark, British Virgin Islands, Cayman Islands, Australia, Venezuela, Canada, and Mexico. His collateral experience includes transaction advisory, acquisition and financing due diligence, land use and marketability studies, appraisal review and concurrence, and project feasibility.

Additionally, Mr. Axler has focused on federal government consulting and has first-hand knowledge of the economic, financial and market factors that drive the development of public real estate policy.

PROFESSIONAL MEMBERSHIPS

- Royal Institution of Chartered Surveyors (MRICS)
- RICS Americas Board of Directors
- National Association of Real Estate Investment Trusts
- International Council of Shopping Centers
- Turnaround Management Association
- American Bankruptcy Institute, Real Estate and Healthcare Committees
- New York Institute of Credit
- Urban Land Institute, Associate Member
- Federal Real Property Association
- New York City Estate Planning Council
- Philadelphia Estate Planning Council, Ethics Committee

PREVIOUS EXPERIENCE

Prior to joining Eisner Advisory Group LLC, Mr. Axler was a Managing Director at GA Group leading real estate valuations nationwide and internationally based in New York City. His background also includes real estate leadership positions at Stout, RSM US, Deloitte, and Arthur Andersen.

EDUCATION

Neil earned his Bachelor of Science in Communications Clarion University of Pennsylvania.