

# Hwa Fong Rubber Ind. Co., Ltd.



## 2025 First Extraordinary Shareholders' Meeting Minutes

Time : December 1, 2025, (Monday), at 2:00 p.m.

Place : No. 20, Sec. 1, Zhongshan Rd., Chung Chuang Village, Huatan Township, Changhua County  
(The Company's Huatan Plant)

Method : Physical shareholders' meeting.

Number of shares present: Total shares represented by shareholders and proxy present  
186,512,717 shares, which is 66.76% of the company's total  
outstanding shares 279,349,134 shares.

Directors present : Sheng Kuo-Jung, Chiu Shih-Chien, Shen Chien-Chih, Wu Pin-Yi,  
Yan Ming-Shan, Yan Ruei-Sian, Huang Chu-Chia

Chairman : Sheng Kuo-Jung



Minutes Taker : Lee Yu-Hsiu



I. Call Meeting to Order (Report of shareholding attendance)

II. Chairman's Address : (Omitted)

III. Matters for Discussion

1

**Proposed by board of directors**

Proposal : Company Intends to Acquire Real Estate from Related Parties, for your  
decision.

Explanation :

1. In response to global economic changes and the global expansion of Group, Company intends to acquire the land, plant, and ancillary facilities located in New York State, USA, from Sumitomo Rubber USA, LLC, a subsidiary of related party, Sumitomo Rubber Ind. Co., Ltd. For the Asset Acquisition Evaluation Report, please refer to P.4-P.9 (Attachment 1) of the agenda.
2. In accordance with the company's Procedures for Acquiring or Disposing of Assets, professional appraisers have been commissioned to conduct a valuation of the aforementioned real

estate. For the Appraisal Reports of Real Estate, please refer to P.10-P.75 (Attachment 2) of the agenda.

3. It is proposed to request the Shareholders' Meeting to authorize Chairman to have full authority to negotiate, deliver, execute, and handle all transaction-related matters regarding the acquisition of the real estate, with the purchase price not exceeding US\$28 million.
4. If the new subsidiary of Company has been completely established before the Closing, the real estate will be acquired by that new subsidiary depending on its operational needs.
5. For your decision

Resolution: Shares represented at the time of voting : 153,644,513 shares

(Deducting the non-voting rights and the voting rights recused due to related-party conflicts : 32,868,204 shares)

| Voting Results                                                                       | % of the total represented share present |
|--------------------------------------------------------------------------------------|------------------------------------------|
| Votes in favor : 152,266,835 shares<br>(including electronic votes 6,390,558 shares) | 99.10%                                   |
| Votes against : 150,132 shares<br>(including electronic votes 149,132 shares)        | 0.09%                                    |
| Votes invalid : 0 shares                                                             | 0.00%                                    |
| Votes abstained : 1,227,546 shares<br>(including electronic votes 1,210,607 shares)  | 0.79%                                    |

RESOLVED, that the above proposal was hereby approved as proposed.

IV. Extemporary Motions : None.

V. Adjournment : Meeting ended at 2:20 p.m., December 1, 2025.

(The minutes will only document the main points of the meeting, with detailed content available through the on-site audio and video recordings.)

# Hwa Fong Rubber Ind. Co., Ltd.

## Asset Acquisition Evaluation Report

Date:2025.9.22

I. Proposed Acquisition Target:

The land, plant and ancillary facilities registered at the Town of Tonawanda, County of Erie and State of New York of the United States of America.

Land area: 132.05 acres

Plant Area: 1,997,536 square feet

II. Purpose, Necessity, and Expected Benefits of the Acquisition:

1. Purpose of the Acquisition:

In response to U.S. tariffs and the final ruling of the U.S. Department of Commerce in 2021, which imposed anti-dumping and countervailing duties on passenger car tires (including light truck tires) from Taiwan and Southeast Asia, as well as the demand from U.S. OEM customers and large aftermarket distributors for production in the United States, Company plans to establish a tire production base in the United States. Therefore, it is proposed to acquire the land listed in the first item above for use as a production base. It is also planned to lease out some temporarily unused areas (if any) for active utilization, depending on production plans and order requirements.

2. Necessity and Expected Benefits:

In response to changes in the international situation, the United States currently imposes an 84.75% antidumping duty and a 25% automobile tariff on passenger car tires (including light truck tires) produced in

Taiwan. A 20% reciprocal tariff is also applied to certain tire types.

Furthermore, with freight costs rising, customers in the United States are increasingly demanding localized production. If our company can establish a production base in the United States, its products will not be subject to U.S. tariffs and anti-dumping duties, which will help Company expand into the U.S. OEM and AM markets and increase its share of revenue from the U.S. market.

III. Related Party:

Sumitomo Rubber USA, LLC:

Sumitomo Rubber USA, LLC is a 100% owned indirect subsidiary of the parent company, Sumitomo Rubber Industries, Ltd., and is therefore considered a related party of the Company.

IV. Reasons for Selecting the Related Party as the Transaction Counterparty:

The tire production plant of Sumitomo Rubber USA, LLC, an indirectly owned subsidiary of Corporate Director Sumitomo Rubber Industries Ltd. in New York State of the USA, has ceased production in 2024 due to policy decisions. The real estate is currently well maintained, and the relevant plant layout and water, electricity, gas and pipelines are all suitable for tire production. In addition, the plant was originally used for tire production. After the acquisition, Company can start production as soon as possible without making significant changes, avoiding heavy cost and time consumption on the changes or construction.

V. Transaction Price:

The estimated amount is USD\$28,000,000.

VI. Method and Basis for Determining the Transaction:

The transaction price was determined through negotiation between both parties, with reference to the valuations provided by professional appraisers.

VII. Payment Method:

To make payment in accordance with the agreement at the time of closing.

VIII. Valuation:

Company has engaged STOUT RISIUS ROSS, LLC and GA Advisory & Valuation Services, LLC to perform the valuations (Appendix# 1) and the results are as follows:

1. STOUT RISIUS ROSS, LLC:

A. Appraised Value: USD\$ 28,000,000.

B. Names of Professional Appraiser: Mr. Jason J. Krentler & Mr.

Michael F. Clifford.

C. Certificate Number: MI-12010746

2. GA Advisory & Valuation Services, LLC:

A. Appraised Value: USD\$ 28,150,000.

B. Name of Professional Appraiser: Mr. Neil F. Axler, MRICS

C. Certificate Number: CA-15092745

IX. Original Acquisition Date and Price of the Related Party, and Counterparty:

Original Acquisition Date of the Related Party:

The land and part of plant buildings were acquired on June 14th, 1999, the rest of plant buildings were gradually built by Seller in the period of June 15th, 1999 and August 1st, 2024

Counterparty of the Original Acquisition:

Dunlop Tire Corporation and a part of building were built by Seller.

Relationship Between Counterparty and Related Party: Related Party.

Original Acquisition Cost of the Related Party: USD\$ 114,825,674.

X. Relevant Information on the Reasonableness of the Proposed Transaction Conditions under Articles 16 and 17 of the Regulations Governing the Acquisition or Disposal of Assets by Public Companies:

Inapplicable. The related party has acquired the real estate for more than five years, the valuation under the first three subparagraphs of Article 16 shall not be subject to the provisions of Article 16, paragraph 4, subparagraph 2, in accordance with the Regulations Governing the Acquisition or Disposal of Assets by Public Companies.

XI. Cash Flow Forecast and Reasonableness of Fund Utilization:

The monthly cash flow forecast of Company for the coming year is provided in the attachment (Appendix#2). The funding for this plan is sufficient, primarily consisting of internal funds and cash flows from operating activities. Its utilization is based on the attached cash flow forecast and covers raw material procurement, operating expenses, and acquisition of fixed assets. Overall fund allocation meets operational needs, and the sources and uses of funds remain balanced, representing a normal and reasonable plan.

XII. Others:

If the newly established subsidiary is fully established before the Closing, the real estate will be acquired by the new subsidiary depending on its operational needs.

Since the proposed transaction amount exceeds 10% of total assets of Company, and in accordance with Article 15, Paragraph 5 of the Regulations Governing the Acquisition and Disposal of Assets by Listed Companies, the matter approved by the Board of Directors will be submitted for ratification at an interim meeting of general shareholders.

Reporter: Deputy General Manager - Wu Pin-Yi

Reviewed by: General manager - Wang Jiaw-Chyi

Financial manager - Chen Chang-Yuan

Approved by: Chairman - Shen Kuo-Jung

Vice Chairman - Chiu Shih-Chien

## From October 2025 to November 2026

| Period                                                     |  | Oct 2025  | Nov 2025 | Dec 2025  | Jan 2026 | Feb 2026 | Mar 2026 | Apr 2026 | May 2026  | Jun 2026 | Jul 2026 | Aug 2026 | Sep 2026 | Oct 2026  | Nov 2026 |
|------------------------------------------------------------|--|-----------|----------|-----------|----------|----------|----------|----------|-----------|----------|----------|----------|----------|-----------|----------|
| Beginning Cash Balance(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  |
| Add: Non-financing Cash Inflows (2)                        |  |           |          |           |          |          |          |          |           |          |          |          |          |           |          |
| Collection of Accounts Receivable                          |  | 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  |
| Collection of bills receivable                             |  | 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   |
| Interest Income Collected                                  |  | 1,780     | 465      | 3,302     | 1,207    | 818      | 932      | 1,215    | 952       | 3,151    | 1,208    | 825      | 892      | 1,212     | 831      |
| Other Income                                               |  | 2,411     | 1,101    | 1,312     | 579      | 583      | 56,413   | 761      | 735       | 2,613    | 1,135    | 696      | 1,151    | 2,612     | 1,296    |
| Subtotal(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  |
| Less: Non-financing Cash Outflows (3)                      |  |           |          |           |          |          |          |          |           |          |          |          |          |           |          |
| Payment for Materials and Accounts Payable                 |  | 53,465    | 56,258   | 93,260    | 64,593   | 65,675   | 71,919   | 65,032   | 67,774    | 78,224   | 65,689   | 70,102   | 64,305   | 66,191    | 78,318   |
| Salary Payments                                            |  | 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   |
| Payments for Various Expense                               |  | 35,462    | 42,398   | 39,358    | 40,716   | 41,399   | 45,354   | 40,993   | 42,722    | 49,309   | 41,407   | 44,189   | 40,535   | 41,724    | 49,368   |
| Acquisition of Fixed Assets                                |  | 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    |
| Interest Payments                                          |  | 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    |
| Increase in long-term equity investments                   |  |           |          | 210,000   |          |          |          |          |           |          |          |          |          |           |          |
| Income Tax Payments                                        |  |           |          |           |          |          |          |          | 46,560    |          |          |          | 50,440   |           |          |
| Others                                                     |  | 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   |
| Subtotal(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  |
| Net Financing Cash Flows (4)                               |  |           |          |           |          |          |          |          |           |          |          |          |          |           |          |
| Increase (Decrease) in Short-term and Long-term Borrowings |  |           | 300,000  | 500,000   |          |          |          |          | 100,000   |          |          |          |          | 100,000   |          |
| Others                                                     |  | (139,675) |          |           |          |          |          |          | (154,359) |          |          |          |          | (139,675) |          |
| Subtotal(4)                                                |  | (139,675) | 300,000  | 500,000   | 0        | 0        | 0        |          | (34,359)  |          |          |          |          | (39,675)  |          |
| Ending Cash Balance<br>(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  |

# 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

# Executive Summary



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 Risius Ross, LLC".

**STOUT RISIUS ROSS, LLC**

# A. Valuation of Real Property



## Conclusion of Market Value - Tonawanda, New York

*In U.S. Dollars*

## Exhibit A.1

| Location                                 | Sales Comparison Approach | Income Capitalization Approach | Cost Approach | Concluded Market Value | Market Value Allocation |                       |                   |
|------------------------------------------|---------------------------|--------------------------------|---------------|------------------------|-------------------------|-----------------------|-------------------|
|                                          |                           |                                |               |                        | Land Value              | Building Improvements | Site 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

Exhibit A.3

In U.S. Dollars

|                                   | 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%                  | -5.0%               | -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  | <b>Total Base Costs per SF</b>            | <u>0.22</u>           |                       |
|    |                                           | <b>\$74.23</b>        |                       |
| 5  | Size (SF)                                 | 1,997,536             |                       |
| 6  | <b>Total Base Costs</b>                   | <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 | <b>Total Multiplier</b>                   | <u>1.0543</u>         |                       |
| 13 | <b>Adjusted Base Costs</b>                | <b>\$ 156,324,468</b> | <b>\$ 156,324,468</b> |
| 14 | Add: Railsur 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 | <b>Total Hard Costs</b>                   |                       | <b>\$ 167,191,063</b> |
| 19 | Add: Soft Costs                           | 2.5%                  | <u>4,179,777</u>      |
| 20 | <b>Subtotal Hard and Soft Costs</b>       |                       | <b>\$ 171,370,839</b> |
| 21 | Add: Entrepreneurial Incentive            | 5.0%                  | <u>8,568,542</u>      |
| 22 | <b>Total Hard and Soft Costs</b>          |                       | <b>\$ 179,939,381</b> |
| 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 | <b>Total Depreciated Replacement Cost</b> |                       | <b>\$ 23,160,270</b>  |
| 26 | Add: Land Value (Rounded)                 | [a]                   | <u>4,200,000</u>      |
| 27 | <b>Market Value (Rounded)</b>             |                       | <b>\$ 27,400,000</b>  |

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

# A. Valuation of Real Property



## Cost Approach - Land Value - Tonawanda, New York

## Exhibit A.5

In U.S. Dollars

|                                  | 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

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- 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.

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

- 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.

# E. Statement of Qualifications



Detroit, MI USA  
Office: +1.248.432.1281  
[jkrentler@stout.com](mailto: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](mailto: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)                    |                  |               |                   |                           |                 |                             |
| Property Name                               | Property Address | City, State   | Value Conclusions |                           |                 | Concluded Fair Market Value |
|                                             |                  |               | Cost Approach     | Sales Comparison Approach | Income Approach |                             |
| 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

## Table of Contents

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## Section I – Buffalo, NY Industrial Market Analysis

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**BUFFALO, NY**  
**INDUSTRIAL MARKET ANALYSIS**

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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

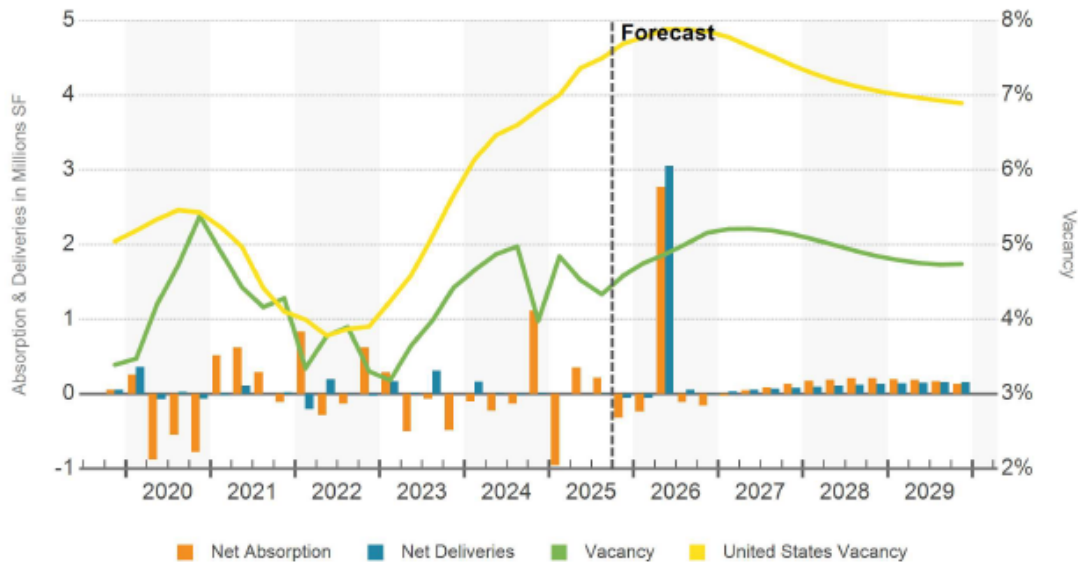
| Current Quarter           | RBA                | Vacancy Rate       | Market Asking Rent | Availability Rate | Net Absorption SF | Deliveries SF | Under Construction |
|---------------------------|--------------------|--------------------|--------------------|-------------------|-------------------|---------------|--------------------|
| 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                  |
| <b>Market</b>             | <b>110,954,262</b> | <b>4.4%</b>        | <b>\$8.44</b>      | <b>4.8%</b>       | <b>(51,043)</b>   | <b>0</b>      | <b>3,180,000</b>   |
| 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

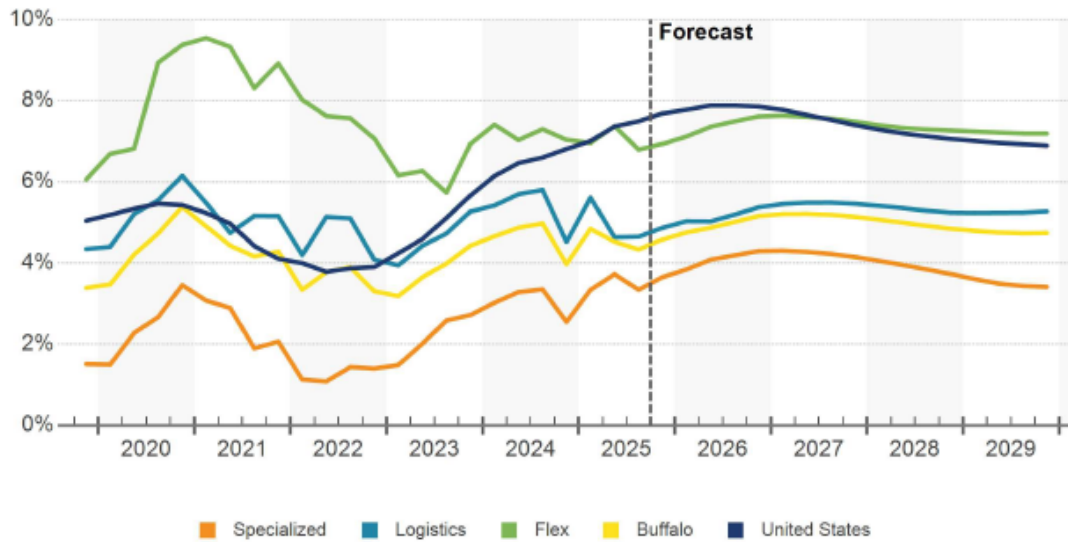
### Leasing

Buffalo Industrial

#### NET ABSORPTION, NET DELIVERIES & VACANCY



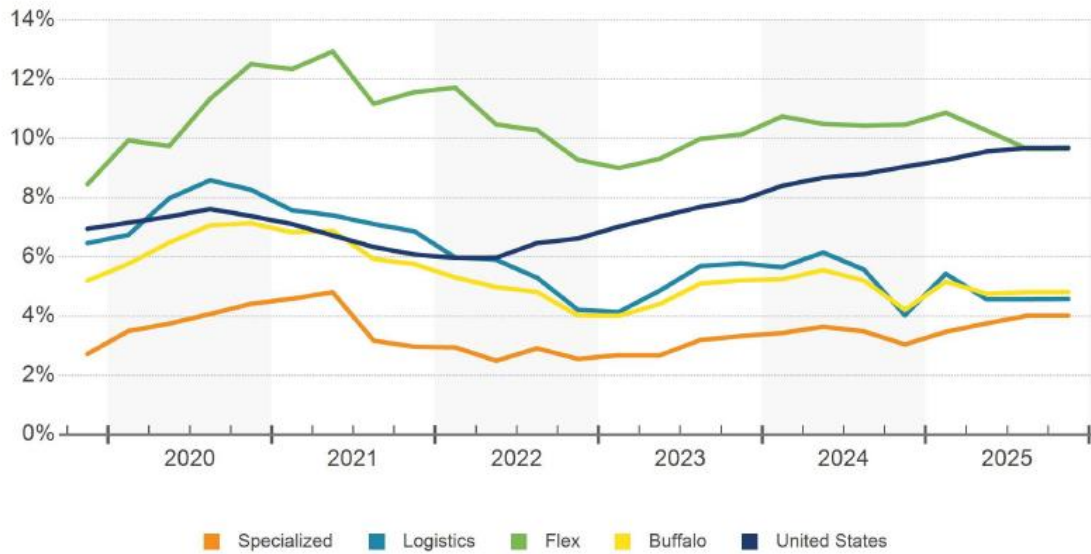
#### VACANCY RATE



## Leasing

### Buffalo Industrial

#### AVAILABILITY RATE

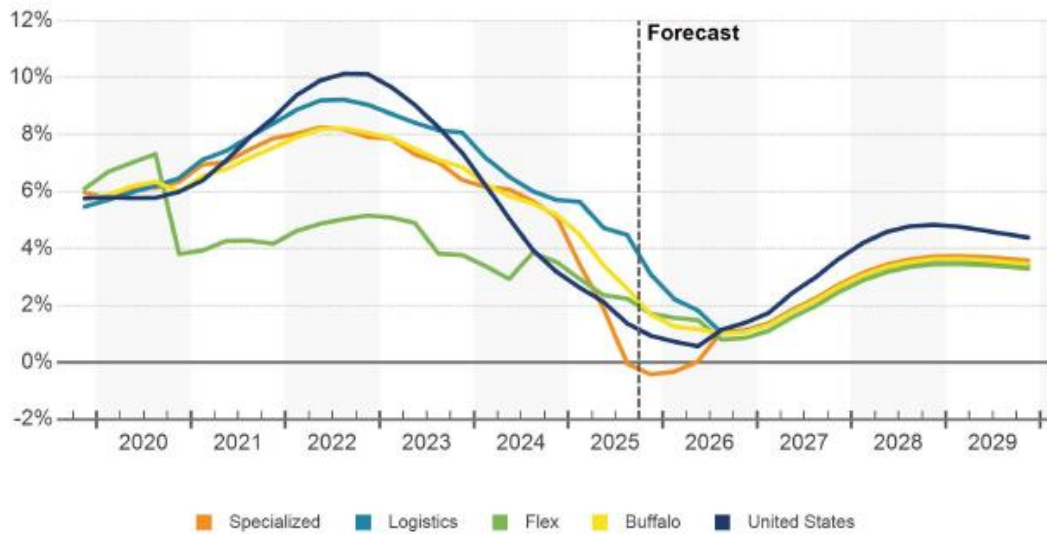


## RENT TRENDS

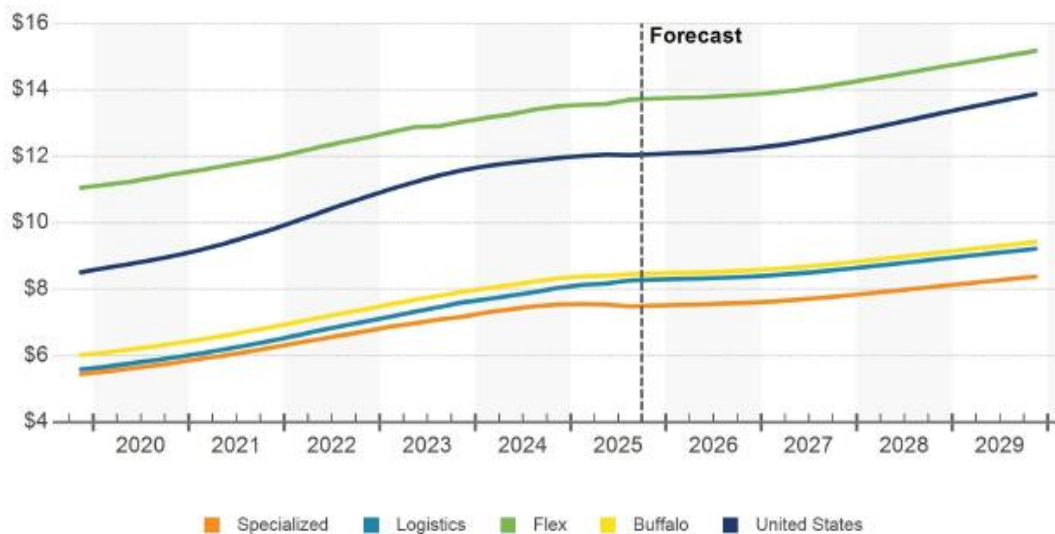
### Rent

Buffalo Industrial

#### MARKET ASKING RENT GROWTH (YOY)



#### MARKET ASKING RENT PER SQUARE FEET

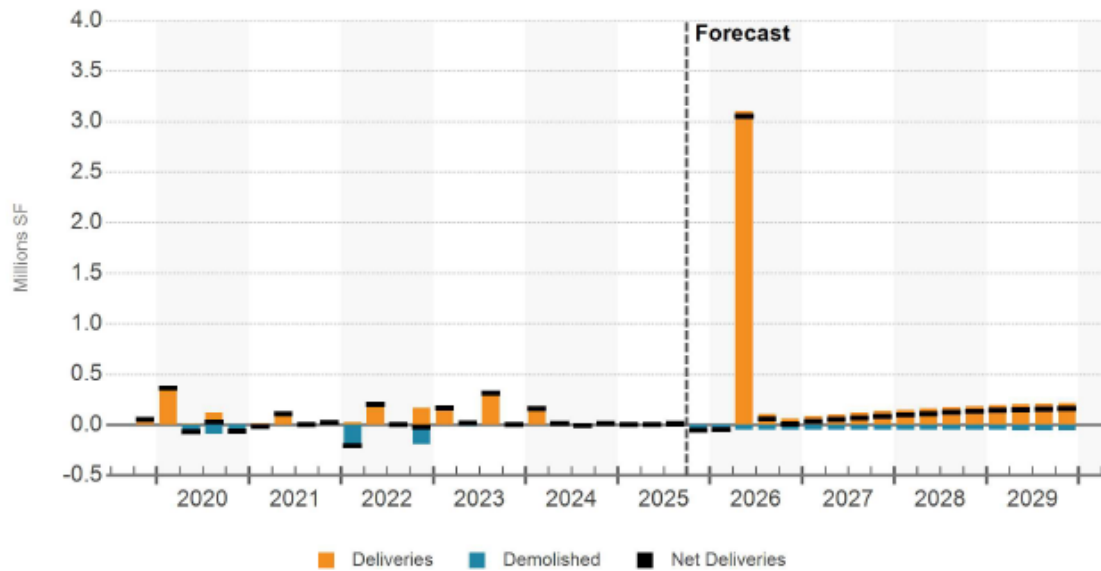


## CONSTRUCTION

### 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                   | -            | -    | 33,486                | -            | -    |
| 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.*

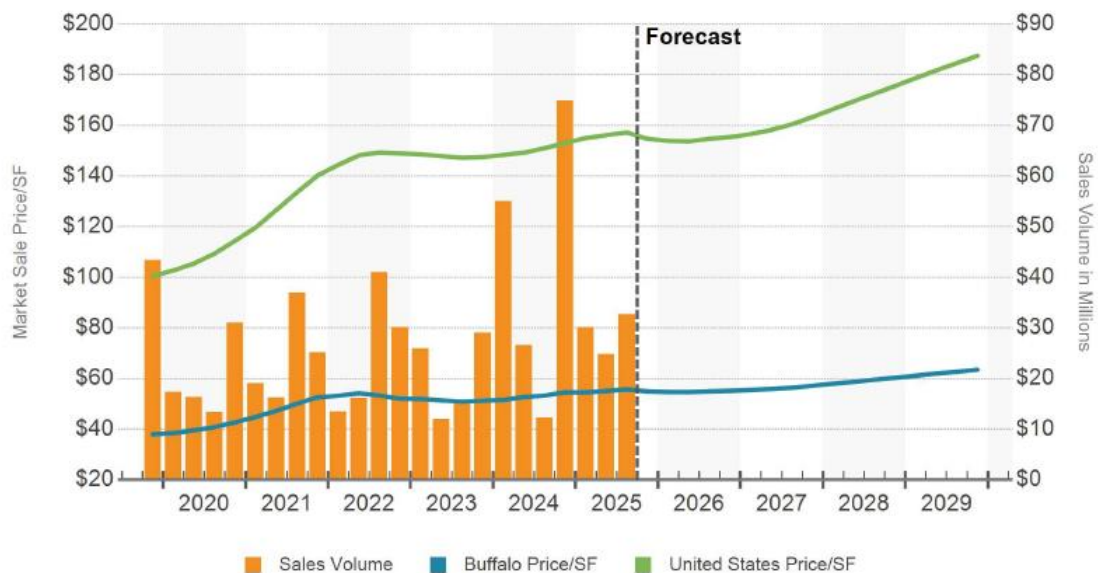
*The buyer pool largely consists of private buyers, who have typically accounted for 54.00% of sales volume, while owner-users represent 30.00%. Institutional capital remains selective, focusing on well-leased, modern assets, and represents less than 10.00% of the buyer pool.*

*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."*

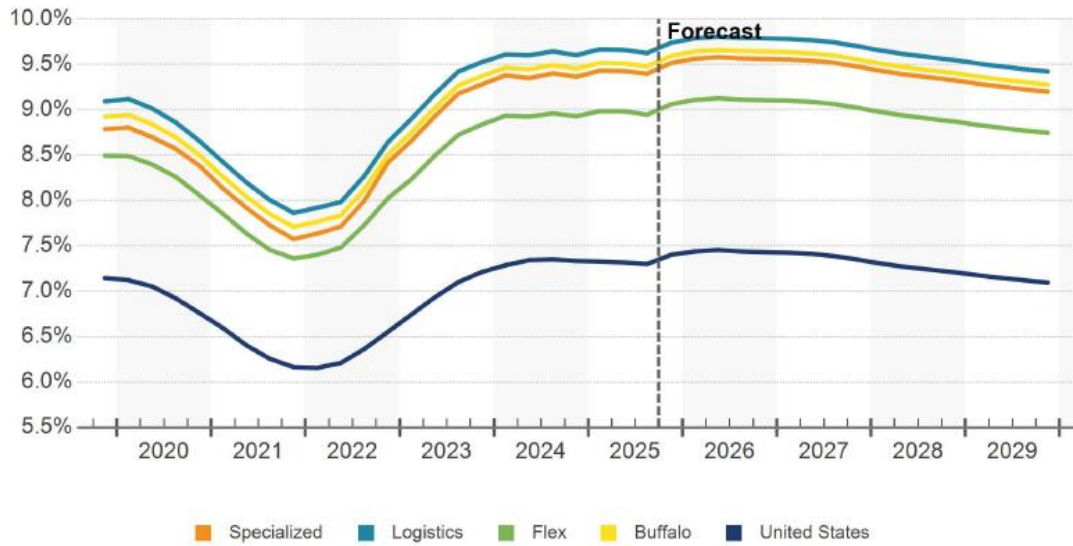
SALES VOLUME & MARKET SALE PRICE PER SF



## 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

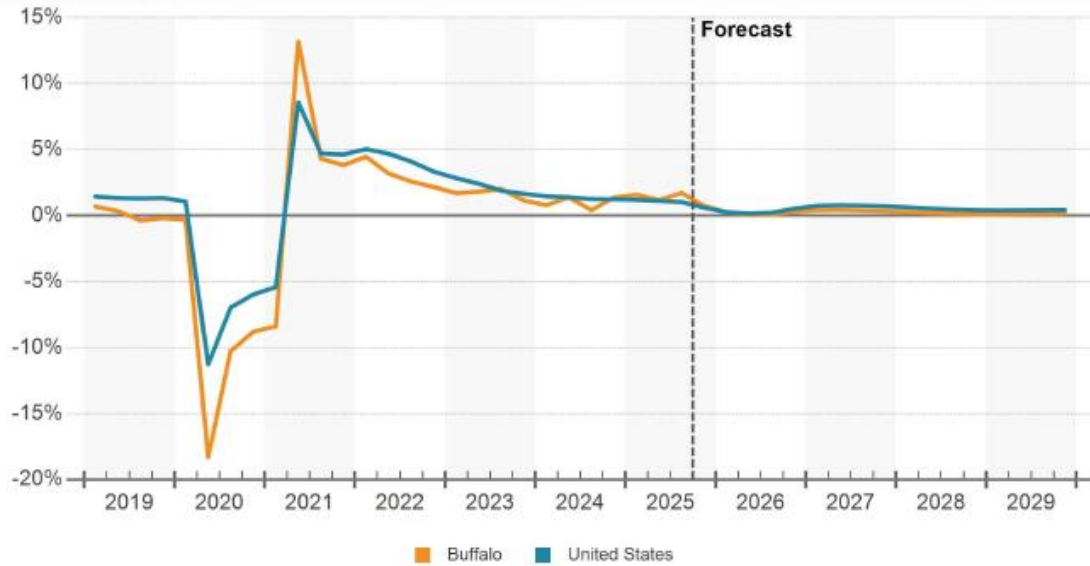
| Industry                                   | CURRENT JOBS |            | CURRENT GROWTH |              | 10 YR HISTORICAL |              | 5 YR FORECAST |              |
|--------------------------------------------|--------------|------------|----------------|--------------|------------------|--------------|---------------|--------------|
|                                            | 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%        |
| <b>Total Employment</b>                    | <b>566</b>   | <b>1.0</b> | <b>1.71%</b>   | <b>1.02%</b> | <b>0.19%</b>     | <b>1.17%</b> | <b>0.18%</b>  | <b>0.45%</b> |

Source: Oxford Economics  
LQ = Location Quotient

## Economy

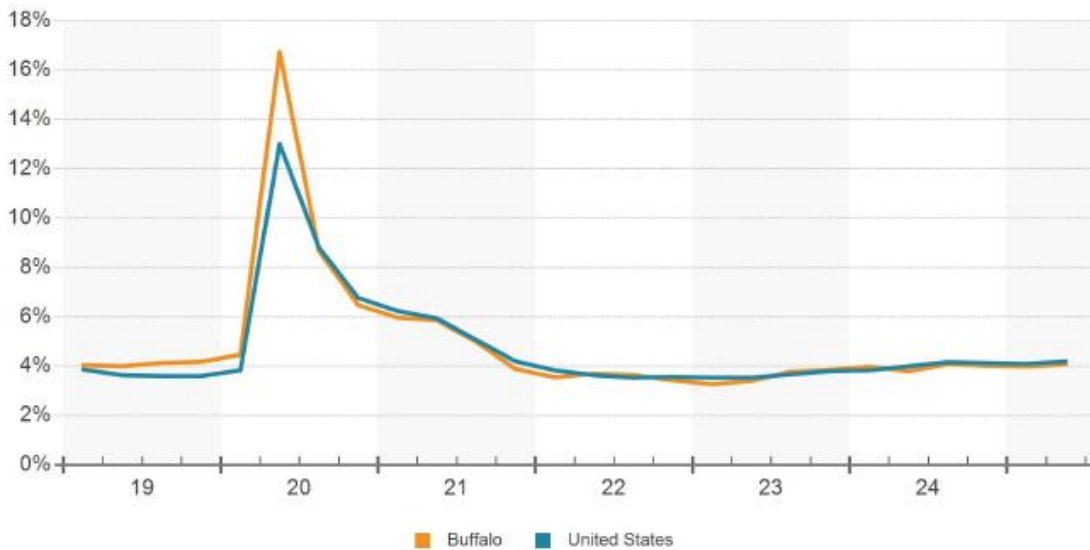
### Buffalo Industrial

#### JOB GROWTH (YOY)



Source: Oxford Economics

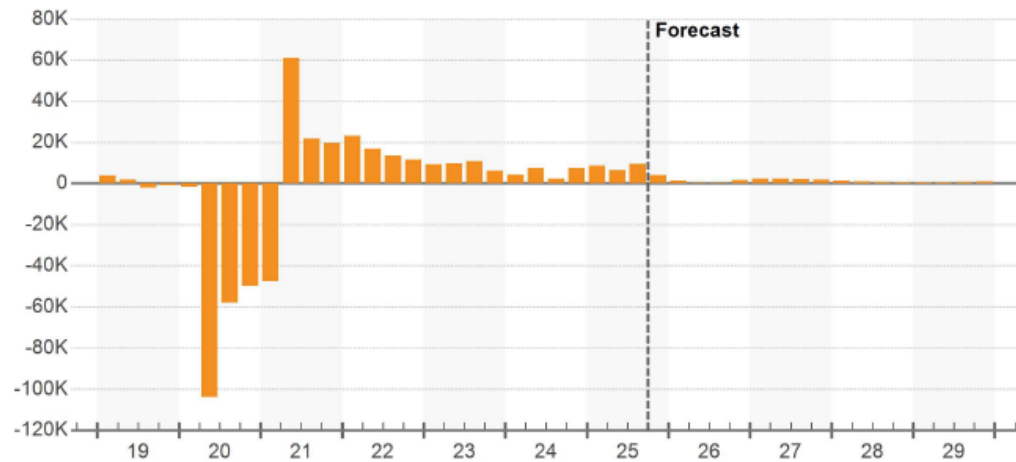
#### UNEMPLOYMENT RATE (%)



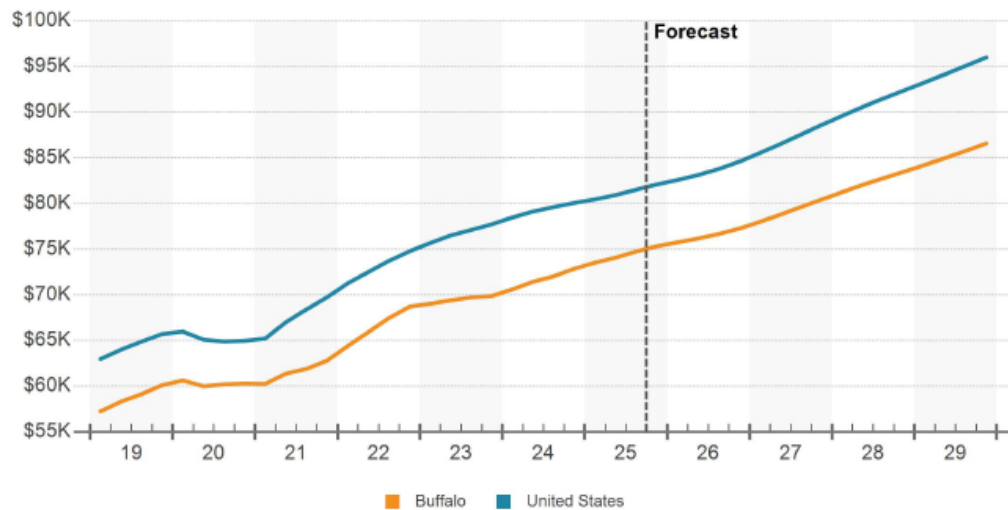
## Economy

### 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 | 12 Mo Net Absorption in SF | Vacancy Rate | Market Asking Rent Growth |
|------------------------|----------------------------|--------------|---------------------------|
| 0                      | (138K)                     | 4.3%         | 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                  |
| <b>Submarket</b>       | <b>23,875,174</b> | <b>4.3%</b>  | <b>\$8.89</b>      | <b>3.8%</b>       | <b>(57,345)</b>   | <b>0</b>      | <b>80,000</b>      |

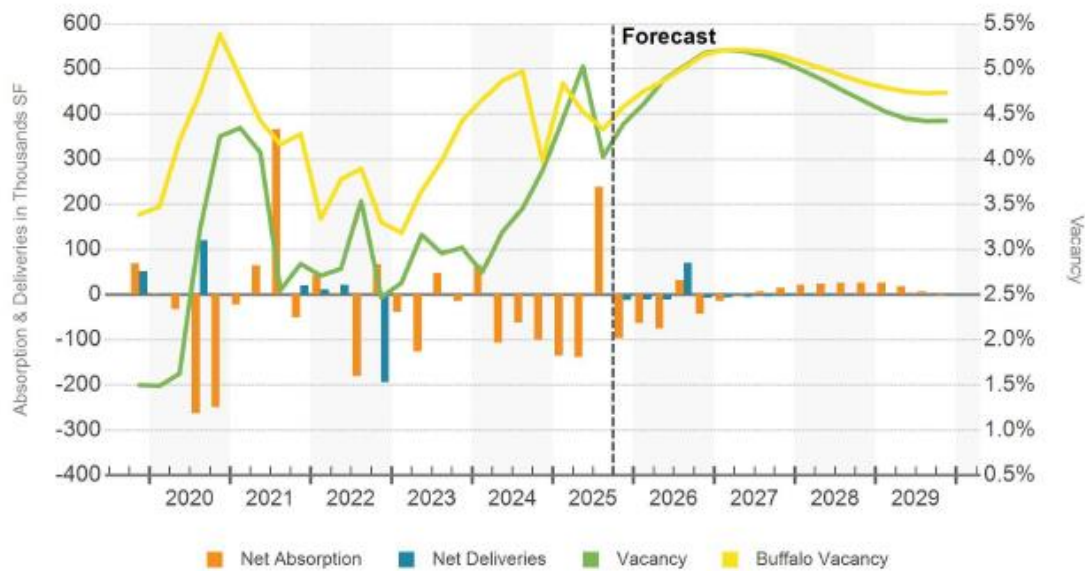
| Annual Trends             | 12 Month   | Historical Average | Forecast Average | Peak      | When    | Trough    | When    |
|---------------------------|------------|--------------------|------------------|-----------|---------|-----------|---------|
| Vacancy                   | 0.6% (YOY) | 3.7%               | 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

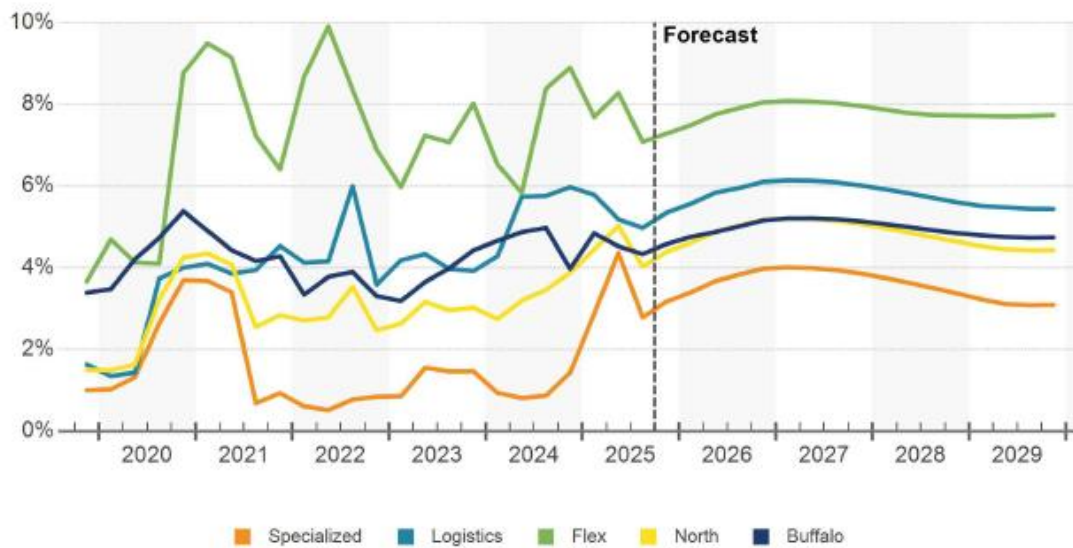
### Leasing

North Industrial

#### NET ABSORPTION, NET DELIVERIES & VACANCY



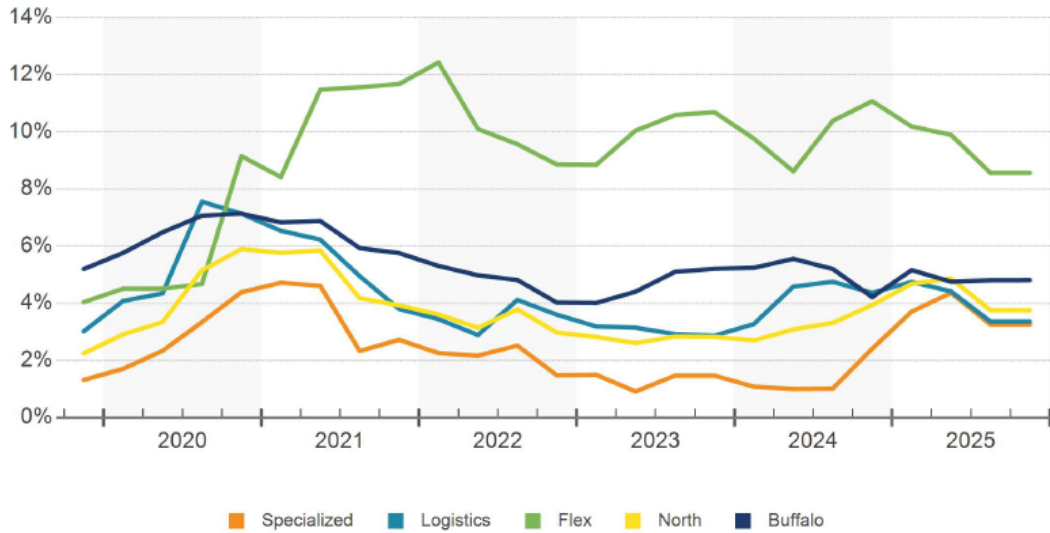
#### VACANCY RATE



## Leasing

North Industrial

### AVAILABILITY RATE

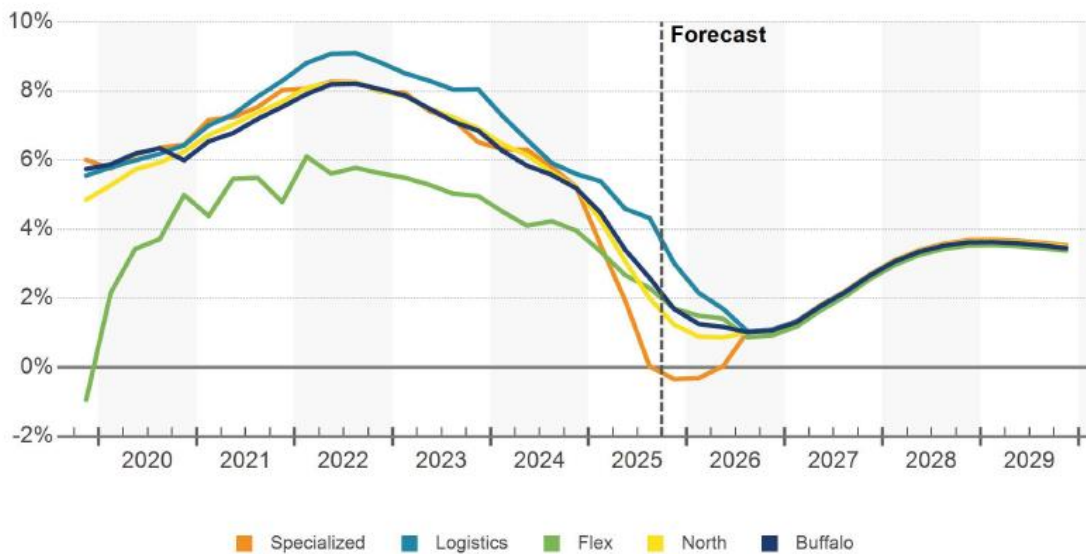


## RENT TRENDS

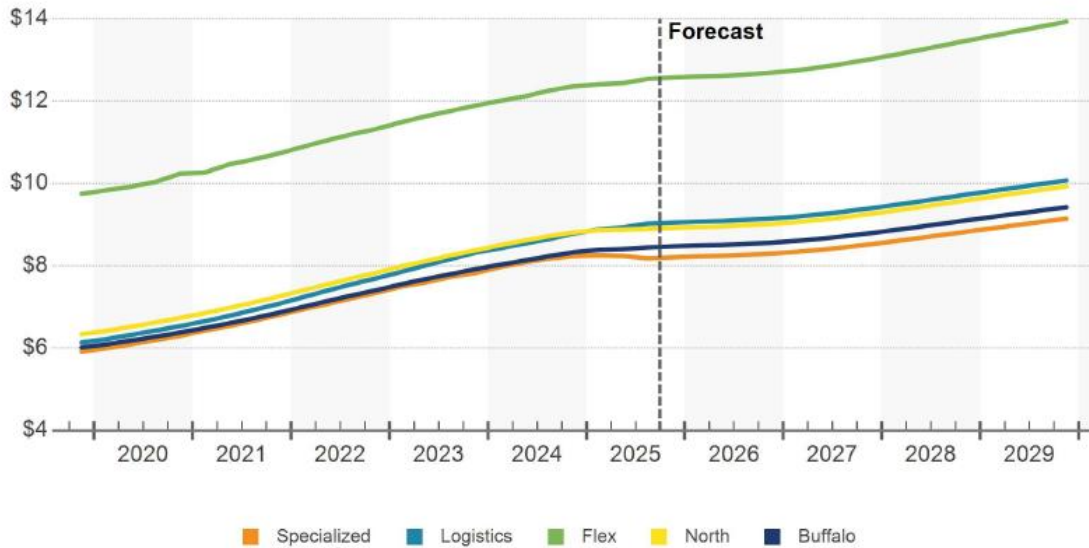
## Rent

North Industrial

### MARKET ASKING RENT GROWTH (YOY)



#### MARKET ASKING RENT PER SQUARE FEET

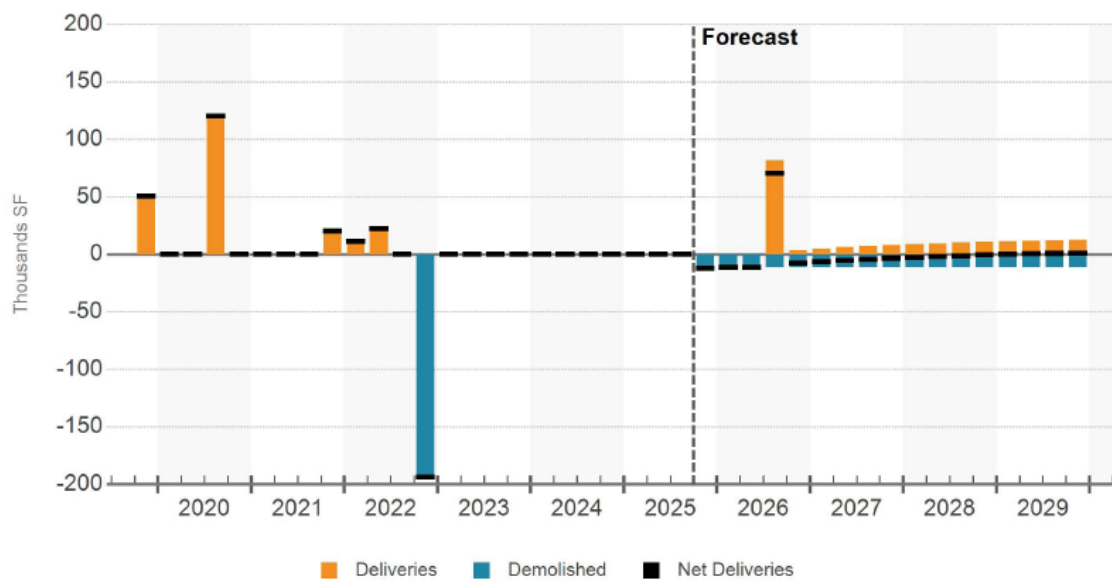


## CONSTRUCTION

### Construction

North Industrial

#### DELIVERIES & DEMOLITIONS

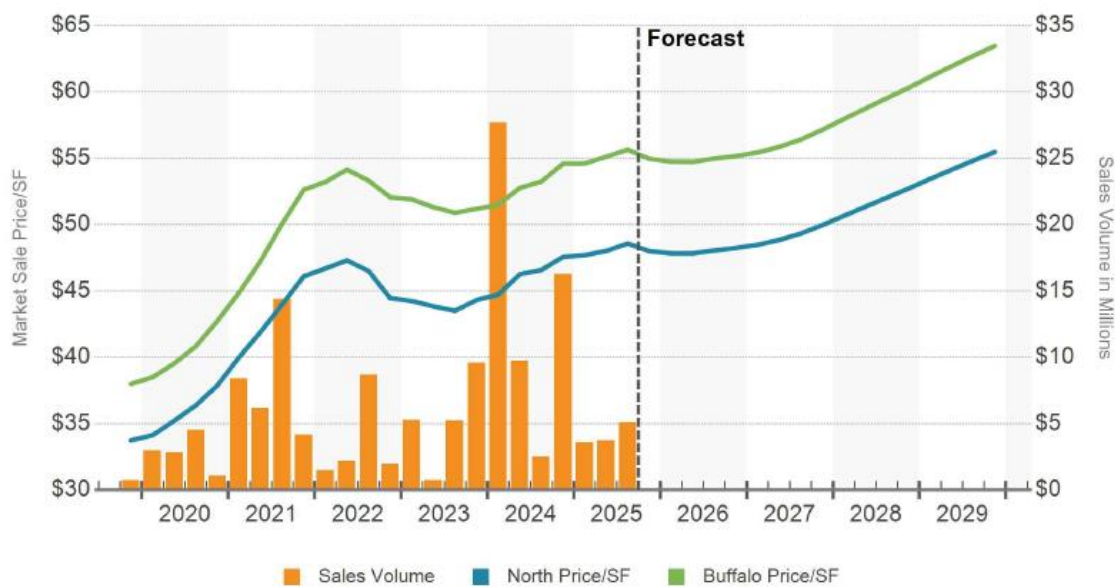


## SALES ACTIVITY

*“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%.”*

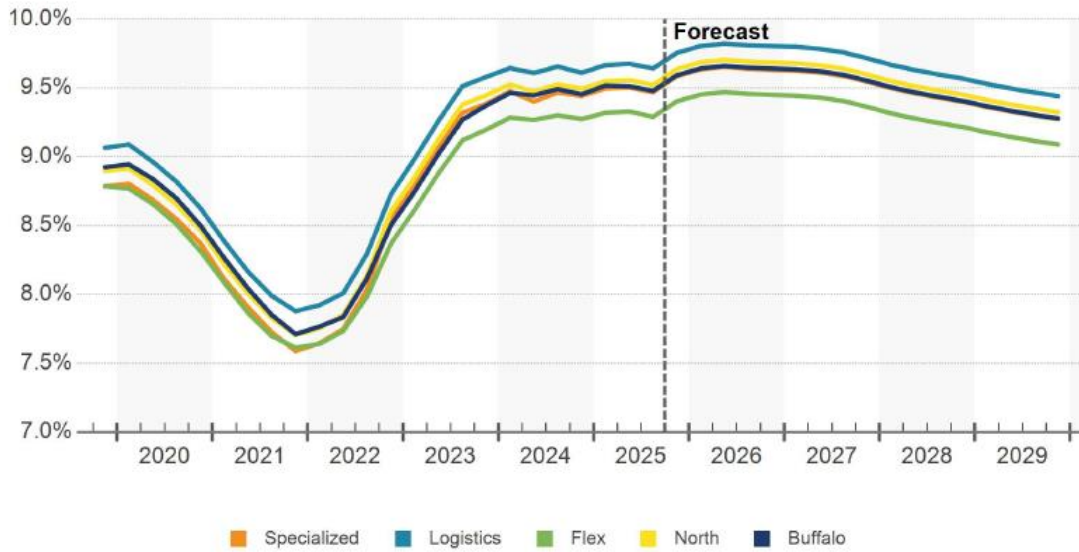
### SALES VOLUME & MARKET SALE PRICE PER SF



## 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 -<br>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<br>Tonawanda, NY           | 7000 Appletree Ave<br>Bergen, NY | 26 Bailey Ave<br>Buffalo, NY | 1926 Alvin Rd<br>Grand Island, NY | 4002 River Rd<br>Tonawanda, NY | 1001 Junction Rd<br>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%                           | 6%                                | 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                         |
|                                                 |                                           | -5%                              | 0%                           | 0%                                | 0%                             | 5%                               |
| Site Size (AC)                                  | 132.05                                    | Superior                         | Superior                     | Superior                          | Superior                       | Superior                         |
|                                                 |                                           | -10%                             | -5%                          | -8%                               | -8%                            | -8%                              |
| Site Shape                                      | Slightly Irregular                        | Similar                          | Similar                      | Similar                           | Similar                        | Similar                          |
|                                                 |                                           | 0%                               | 0%                           | 0%                                | 0%                             | 0%                               |
| Zoning (Land Use)                               | GI, General Industrial                    | Similar                          | Superior                     | Similar                           | Similar                        | Similar                          |
|                                                 |                                           | 0%                               | -5%                          | 0%                                | 0%                             | 0%                               |
| Frontage                                        | Average                                   | Similar                          | Similar                      | Similar                           | Similar                        | Similar                          |
|                                                 |                                           | 0%                               | 0%                           | 0%                                | 0%                             | 0%                               |
| Utilities                                       | All Utilities                             | Similar                          | Similar                      | Similar                           | Similar                        | Similar                          |
|                                                 |                                           | 0%                               | 0%                           | 0%                                | 0%                             | 0%                               |
| Other Factors                                   | Rail Spurs                                | Inferior                         | Similar                      | Inferior                          | Inferior                       | Inferior                         |
|                                                 |                                           | 5%                               | 0%                           | 5%                                | 5%                             | 5%                               |
| Total Property Adjustments                      |                                           | -10%                             | -10%                         | -3%                               | -3%                            | -3%                              |
| Indication for Subject:                         |                                           | \$34,542                         | \$39,829                     | \$43,060                          | \$26,044                       | \$27,395                         |

| SALES SUMMARY | Unadjusted | Adjusted |
|---------------|------------|----------|
| Minimum       | \$25,200   | \$23,044 |
| 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                                 | \$4,225,673 |
| Rounded to nearest \$10,000                     | \$4,200,000 |

## Building Improvements

### Cost Approach Summary

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

#### 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                     | 76,688 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                     | 102,673 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) 1,656,456           |                    |
| 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"               | 30'0"               | 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%                  | 0%                    |
| 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             |
| <b>Concluded Fair Market Value</b> | <b>\$</b>       | <b>28,150,000</b> | <b>\$ 14.09</b> |

## 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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Neil F. Axler, MRICS  
Managing Director  
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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

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## QUALIFICATIONS

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### 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.