



BECK CONSULTING, INC.

APPRAISAL REPORT

Buckeye Charter Leasing LTD
10,980 SF Light Industrial Building
8240 Expansion Way

Huber Heights, Montgomery County, Ohio 45424

Fifth Third Bank National Association File/ Project No. 247025 / 2507-40065-001

PREPARED FOR:

Mr. Eric Schwonek
Senior Reviewer/Appraiser
Real Estate Risk Commercial Lending Appraisal Group
Fifth Third Bank National Association
5001 Kingsley Dr.
Cincinnati, Ohio 45202

PREPARED BY:

Beck Consulting, Inc.
Town Hall on the Green—4B
5380 Pleasant Avenue
Fairfield, Ohio 45014
513.942.5000
FAX 513.942.9602

EFFECTIVE DATE OF VALUE:

As is fee simple market value as of August 13, 2025

Disclaimer Statement

This appraisal report was prepared for the sole use and benefit of Fifth Third Bank, National Association and the appraiser/client relationship is with Fifth Third Bank, National Association as the client. The report is based in part upon documents, writings and information owned and possessed by Fifth Third Bank, National Association and the information, analyses, conclusions, statements, and appraised values contained within the report are confidential.

This report is provided for information purposes only to third parties authorized to receive it. This report should not be used for any purpose other than to understand the information available to the bank concerning the property.

FIFTH THIRD BANK, National Association



BECK CONSULTING, INC.

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August 18, 2025

Mr. Eric Schwonek
Senior Reviewer/Appraiser
Real Estate Risk Commercial Lending Appraisal Group
Fifth Third Bank National Association
5001 Kingsley Dr.
Cincinnati, Ohio 45202

RE: APPRAISAL REPORT

*Buckeye Charter Leasing LTD
10,980 SF Light Industrial Building
8240 Expansion Way
Huber Heights, Montgomery County, Ohio 45424
Fifth Third Bank National Association File/ Project No. 247025 / 2507-40065-001*

Dear Mr. Schwonek

Based on your authorization, we have appraised the property at 8240 Expansion Way, Huber Heights, Montgomery County, Ohio 45424. The subject is an office/ commercial service light industrial building containing 10,980 square feet of gross building area with 17% office buildout. The building was constructed in 2005 on a 4.343 acre. The subject property is owner occupied doing business as Buckeye Transportation.

The purpose of this appraisal is to estimate the as is market value of the fee simple interest and insurable value as of the visit on August 13, 2025. The findings, the support, and conclusions of our investigation are contained herein. This report analyzes the property, neighborhood, and economic conditions as of the date of the property visit. The appraisal report is intended to comply with the Code of Professional Ethics of the Appraisal Institute, which requires compliance with USPAP. The intended use of this appraisal is for loan underwriting and/or credit decisions by Fifth Third Bank National Association and/or participants. The intended users of this report are Fifth Third Bank National Association, and/or affiliates.

This appraisal report and value conclusion is not to be used by or relied upon by any individual or third party that is not specifically stated as a client or intended user within this report. The borrower, investor, owner, seller, buyer, broker, tenant, builder, etc., are not clients or intended users of this report. The following document was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP), as required by Title XI of the Financial Institution Reform Recovery and Enforcement Act of 1989 (FIRREA). Furthermore, the following appraisal was completed in compliance with Fifth Third Bank's appraisal policies.



Mr. Schwonek
August 18, 2025
Page Two

The attached report is a detailed presentation of our research, which concludes that, in our opinion, the as is market value of the fee simple estate of the subject property as of the date of valuation is as follows:

As Is Market Value of the Fee Simple Estate
as of August 13, 2025 is: \$930,000

As is Fee Simple Insurable Value as of
August 13, 2025 : \$1,200,000

This letter is not the appraisal but is followed by an appraisal report setting forth the identification of the property, pertinent facts about the neighborhood and the subject property, comparable market data, and the results of the investigations and analyses leading to the final value conclusion.

The reported value conclusions are subject to the assumptions and limiting conditions set forth in the body of the report. So as not to be misleading, the following extraordinary assumptions on which the market value is predicated is considered necessary.

Extraordinary Assumptions:

The subject property is a single-tenant, light industrial building operated as a commercial vehicle service center that uses paints and solvents in daily operations. In addition there is a fuel center with below grade storage tank. It is a basic assumption of this report that the site and building improvements are environmentally clean. The use of this assumption could affect assignment conclusions.

Hypothetical Condition:

None

Respectfully submitted,
BECK CONSULTING, INC.

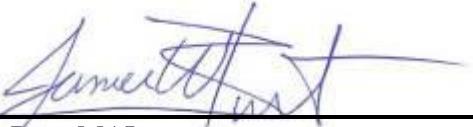

James W. Burt, MAI
Ohio General Certified Appraiser Number 437968



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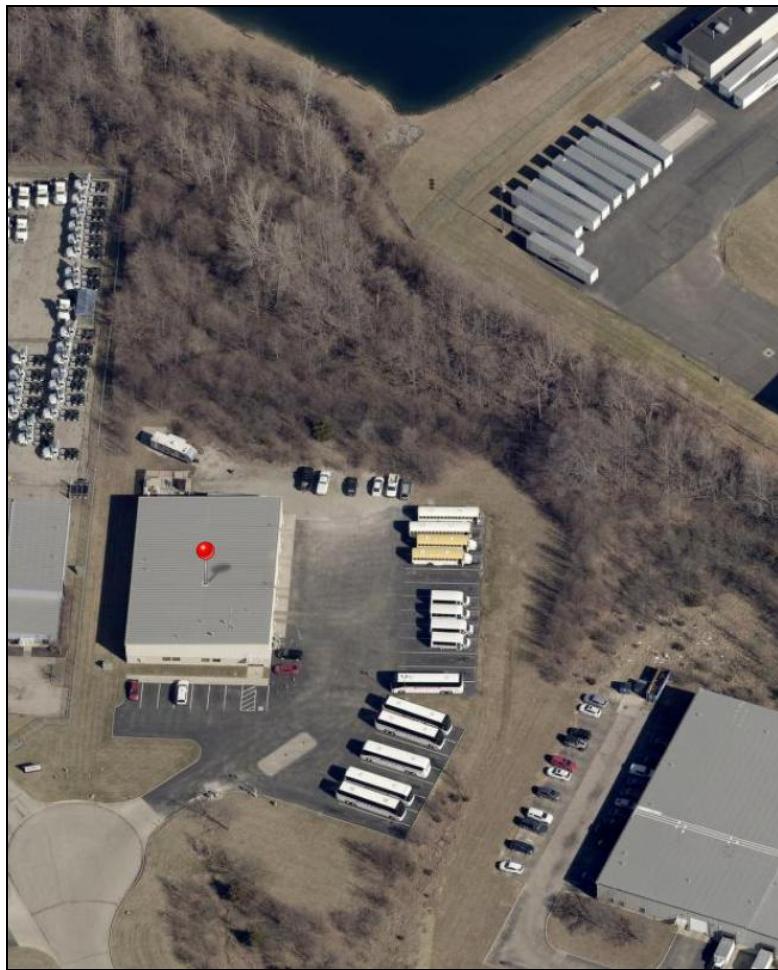
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**PART I. INTRODUCTION
SUBJECT PHOTOGRAPHS**



Aerial view of subject looking west



Aerial view of subject property looking north



BECK CONSULTING, INC.



Front/south elevation



Front and west side elevation



Front and east side elevation



Rear/north elevation



Parking lot



On site fuel station



CERTIFICATION

I certify that, to the best of our knowledge and belief...

- The statements of fact contained in this report are true and correct.
- The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and is our 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 not appraised, or provided any other service, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of 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 analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with 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.
- As of the date of this report, James W. Burt, MAI has completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.
- As of the date of this report, James W. Burt, MAI has completed the requirements of the continuing education program of the Appraisal Foundation.
- As of the date of this report, James W. Burt, MAI has completed the requirements of the continuing education program of the State of Ohio.
- James W. Burt, MAI has not made a personal property visit to the subject of this report.
- William King provided significant real property appraisal assistance to the person signing this certification with regard to comparable sale and rental verification and report preparation.
- The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
- The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

James W. Burt, MAI
Ohio General Certified Appraiser Number 437968

Date: August 18, 2025



ASSUMPTIONS AND LIMITING CONDITIONS

Extraordinary Assumptions:

The subject property is a single-tenant, light industrial building operated as a commercial vehicle service center that uses paints and solvents in daily operations. In addition, there is a fuel center with below grade storage tank. It is a basic assumption of this report that the site and building improvements are environmentally clean. The use of this assumption could affect assignment conclusions.

Hypothetical Conditions:

None

General Underlying Assumptions and Limiting Conditions:

1. The report is considered valid only for whom it was prepared and for the stated purpose and function.
2. That the term market value, as herein used, is defined preceding this appraisal report.
3. That the date of value to which the opinions expressed in this report apply is set forth in the letter of transmittal. The appraiser assumes no responsibility for economic or physical factors occurring at some later date that may affect the opinions herein stated.
4. That no opinion is intended to be expressed for legal matters or that would require specialized investigator knowledge beyond that ordinarily employed by real estate appraisers, although such matters may be discussed in the report.
5. That no opinion as to title is rendered. Data on ownership and the legal description were obtained from sources generally considered reliable. Title is assumed to be marketable and free and clear of all liens and encumbrances, easements, and restrictions except those specifically discussed in the report. The property is appraised assuming it to be under responsible ownership and competent management and available for its highest and best use.
6. That no engineering survey has been made by the appraiser. Except as specifically stated, data relative to size and area were taken from sources considered reliable, and no encroachment of real property improvements is assumed to exist.
7. That maps, plats, and exhibits included herein are for illustration only, as an aid in visualizing matters discussed within the report. They should not be considered as surveys or relied upon for any other purpose.
8. That no opinion is expressed as to the value of subsurface oil, gas, or mineral rights, and that the property is not subject to surface entry for the exploration or removal of such materials except as is expressly stated.
9. That the projections included in this report are utilized to assist in the valuation process and are based on current market conditions, anticipated short term supply and demand factors, and a continued stable economy. Therefore, the projections are subject to changes in future conditions that cannot be accurately predicted by the appraiser and could affect the future income or value projections.



10. That testimony or attendance in court or at any other hearing is not required by reason of rendering this appraisal unless such arrangements are made a reasonable time in advance.
11. Information contained in this report is assumed to be correct but is not guaranteed.
12. Possession of this report or any copy thereof does not carry with it the right of publication. 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 media, public relations media, news media, sales media or any other public means of communication, without the prior written consent and approval of the author.
13. That, because no title report was made available to the appraiser, he assumed no responsibility for such items of record not disclosed by his normal investigation.
14. That no detailed soil studies covering the subject property were available to the appraiser. Therefore, premises as to soil qualities employed in this report are not conclusive but have been considered consistent with information available to the appraiser.
15. That the appraiser has personally inspected the subject property and finds no obvious evidence of structural deficiencies except as stated in this report; however, no responsibility for hidden defects or conformity to specific governmental requirements, such as fire, building and safety, earthquake, or occupancy codes, can be assumed without provision of specific professional or governmental inspections.
16. That no consideration has been given in this appraisal to personal property located on the premises, or to the cost of moving or relocating such personal property; only the real property has been considered.
17. That the appraiser is not qualified to detect the existence of potentially hazardous material which may or may not be present on or near the property, such as the presence of formaldehyde foam insulation, existence of toxic waste, or the existence of asbestos insulation. The existence of such substances may have an affect on the value of the property. No consideration has been given in our analysis to any potential diminution in value should such hazardous materials be found. We urge the client to retain an expert in the field before making a business decision regarding the property.



SUMMARY OF IMPORTANT FACTS AND CONCLUSIONS

Property Appraised:

The property being appraised is located at 8240 Expansion Drive, Huber Heights, Montgomery County, Ohio 45424.

Description of Property:

Site:

The subject site contains 4.343 acres. The subject property is located within the zoning jurisdiction of the City of Huber Heights, Montgomery County, Ohio. The subject site is zoned I-1 Light Industrial and mixed-use District

Building Improvements:

The subject is an office/commercial service light industrial building containing approximately 10,980 square feet and was built in 2005. The subject buildings contains approximately 1,900 SF (17%) of finished office and support space.

Parcel Number:

P70 01218 0011

Census Tract:

1004

Objective of the Appraisal:

Purpose:

The purpose of this appraisal is to estimate the as is market value of the fee simple estate of the subject property as of August 13, 2025.

Intended Use:

The only intended use of the appraisal is for loan underwriting and/or credit decisions and was developed consistent with the scope as specified by Fifth Third Bank National Association.

Intended User:

The only intended users of this report are Fifth Third Bank National Association, its successors or assigns and any participating financial institutions. This appraisal report and value conclusion is not to be used by or relied upon by any individual or third party that is not specifically stated as a client or intended user within this report.

Client:

Fifth Third Bank National Association

Highest and Best Use:

As If Vacant:

The highest and best use of this site as if vacant is for industrial use.

As Improved:

The highest and best use of the subject site as improved is for its existing use with surplus land for building expansion or yard storage.



Market Value and Conclusions:

Cost Approach:	N/A
Sales Comparison Approach:	As Is Market Value of the Fee Estate Simple as of August 13, 2025 is:
Income Approach:	As Is Market Value of the Fee Simple Estate as of August 13, 2025 is:
Final Value:	As Is Market Value of the Fee Simple Estate as of August 13, 2025 is:
Insurable Value:	As Is Fee Simple Market Value of the Subject Property as of August 13, 2025, 2025, is:
Report Date:	August 18, 2025
Marketing Time:	6 months or less
Exposure Time:	6 months or less

Extraordinary Assumptions:

The subject property is a single-tenant, light industrial building operated as a commercial vehicle service center that uses paints and solvents in daily operations. In addition, there is a fuel center with below grade storage tank. It is a basic assumption of this report that the site and building improvements are environmentally clean. The use of this assumption could affect assignment conclusions.

Hypothetical Conditions:

None

Strengths

- 1) Strong market for 10,000 -20,000 SF single tenant office/industrial buildings
- 2) Good clear height & functional office space
- 3) Functional building
- 4) Surplus land for yard storage of expansion

Weaknesses

- 1) No dock height door
- 2) Second tier industrial location
- 3) New development of Buc-ee's travel center at interchange could create traffic congestion

Tariff Impact: At the present time ,there is no evidence that the ever changing tariffs have had any impact on the single tenant small scale industrial market.



PART II. PREMISES OF THE APPRAISAL

PURPOSE AND INTENDED USE OF THE APPRAISAL

The purpose of this appraisal is to estimate the as is market value of the fee simple estate of the subject as of the date of property visit on August 13, 2025. The subject is owner occupied doing business as Buckeye Transportation. The fee simple interest is being appraised.

William King made a personal property visit of the subject property on August 13, 2025.

INTENDED USE OF THE APPRAISAL REPORT

The only intended use of the appraisal is for loan underwriting and/or credit decisions.

INTENDED USE

The only intended use of the appraisal is for loan underwriting and/or credit decisions by Fifth Third Bank National Association and was developed consistent with the scope as specified by Fifth Third Bank National Association.

CLIENT AND INTENDED USERS

Client: Fifth Third Bank National Association. The intended users of this report are Fifth Third Bank National Association and/or affiliates.

FURNITURE, FIXTURES & EQUIPMENT (FF&E)

There are no furniture, fixtures & equipment included in the final value conclusion of this report.

INDICATED EXPOSURE TIME

Exposure time for the subject property, assuming market value, is estimated to be 6 months or less.

DEFINITION OF VALUE AND PROPERTY RIGHTS APPRAISED

Market Value¹ means 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 the 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 interest;
- (3) a reasonable time is allowed for exposure in the open market;

¹ (Source: Office of the Comptroller of the Currency under 12 CFR, Subpart C-Appraisals, 34.42 Definitions [f].)



- (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.

According to the Appraisal Institute's, *The Dictionary of Real Estate Appraisal*, 7th ed. (Chicago: Appraisal Institute, 2022), the following pertinent terms referenced in the report are defined as follows:

Appraisal: *The act of process of developing an opinion of value; an opinion of value.*

As Is Market Value: *The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.*

Effective Date of The Appraisal: *The date on which the appraisal or review opinion applies.*

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 Building Area: *(GBA) 1) Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.*

Leased Fee Estate: *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.*



SCOPE OF WORK

The appraisal problem to be solved with this appraisal is to estimate the as is fee simple market value of the subject. The as is date is as of the date of the property visit. The value to be determined by this report is fee simple interest.

In addition to the site visit performed by the appraiser, other information was gathered for the subject property. Montgomery County Auditor's and Recorder's records were also searched for any information pertaining to the subject property. Information provided by the City of Huber Heights and Montgomery County were also incorporated into this appraisal. Zoning information was gathered for the subject property from the City of Huber Heights, while floodplain information was gathered from the Federal Emergency Management Agency floodplain maps available online.

Regional, as well as the neighborhood and demographic data, was obtained from various sources including the Chamber of Commerce, Montgomery County, the City of Huber Heights, the United States Census Bureau, and information available from other secondary sources. The trends in real estate value were concluded based on analysis of market data and discussions with property owners, buyers, developers, and brokers active in the market.

Sales data was obtained from secondary sources including companies that compile and publish public information. Specific sources used in this appraisal include *CoStar*, *Realist*, and *Loopnet*. This data was analyzed, and attempts were made to confirm with individuals directly involved in, or close to, the transaction such as the buyer, seller, agent, or their representative.

There are three generally accepted approaches to value: sales comparison approach, cost approach and income approach. The cost approach is not considered applicable given the effective age and condition of the improvements and the inaccuracies involved in estimating this amount of total depreciation from all sources. The subject was built in 2005 and the typical buyer or seller for properties like the subject, would not use the cost approach as a primary approach to value in their buy and sell decision. The sales comparison approach is applicable since there are recent sales of comparable properties similar to the subject property located throughout the market. The income approach is considered applicable as the subject property type can be purchased by investors and leased as an investment form of real estate.



PART III. PRESENTATION OF DATA

IDENTIFICATION OF THE REAL ESTATE

Location: The property being appraised is located at 8240 Expansion Way, Huber Heights, Montgomery County, Ohio 45424.

Ownership: Buckeye Charter Leasing LTD

Parcel ID No: P70 01218 0011

Party in Possession: The subject is 100% owner occupied doing business as Buckeye Transportation

HISTORY OF PROPERTY BEING APPRAISED

The subject property has been under the same or related ownership dating back when the property was constructed in 2005

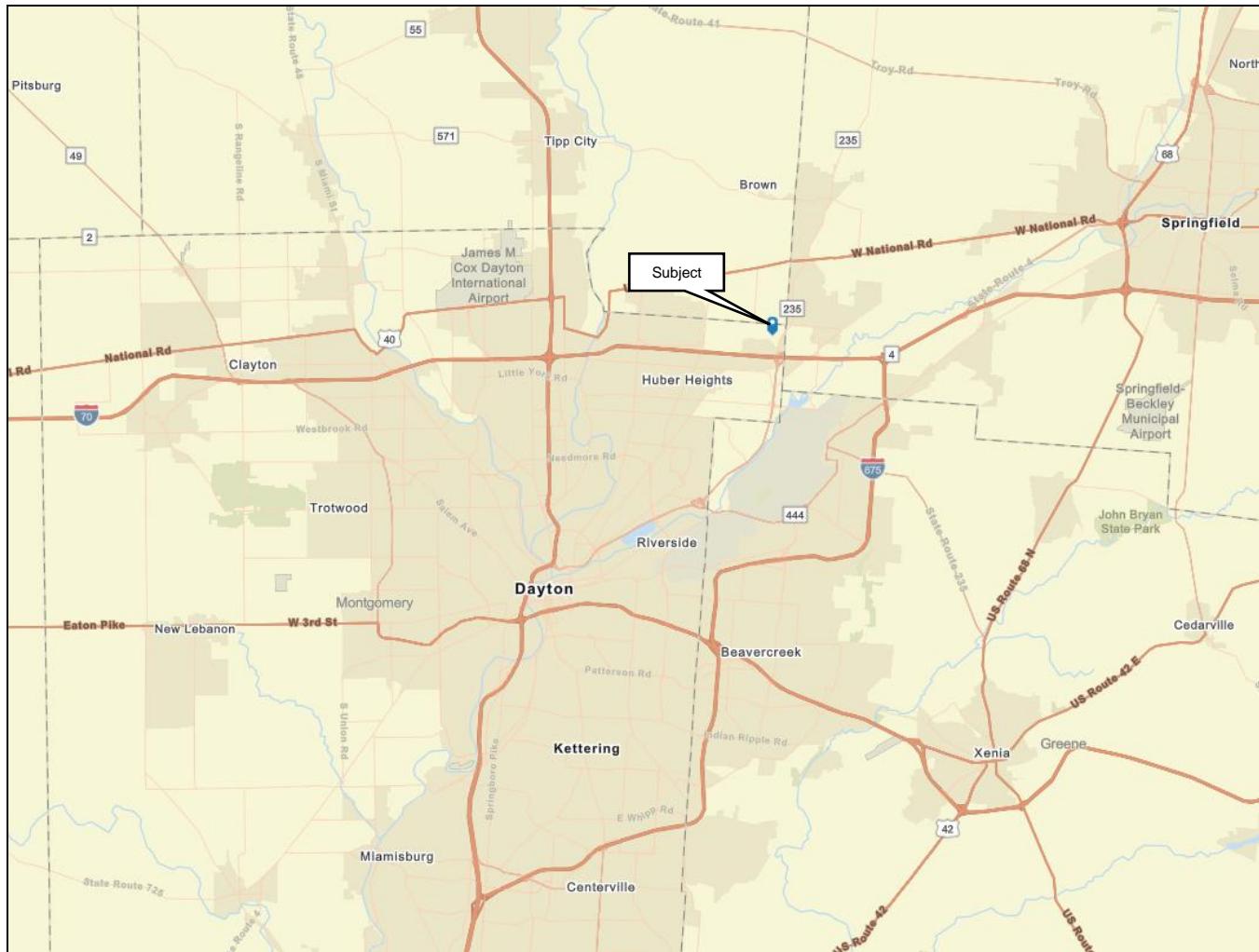
PURCHASE CONTRACT OR OPTION

There are no active purchase contracts as of the effective date of value to the best of our knowledge. The subject is not listed on the open market for sale or lease to the best of our knowledge. Per conversation with the property owner they are in negotiations with a Columbus Company to purchased Buckeye transportation which includes the business and real estate. No purchase contract was provided.



MARKET AREA DESCRIPTION AND ANALYSIS

Area Location Map



Source: STDB.com

Location: The subject property is located in the Dayton MSA. The area, also known as the Upper Miami Valley, is located north of Cincinnati and west of Columbus. The political and economic hub of the Dayton MSA is Dayton, the county seat of Montgomery County.

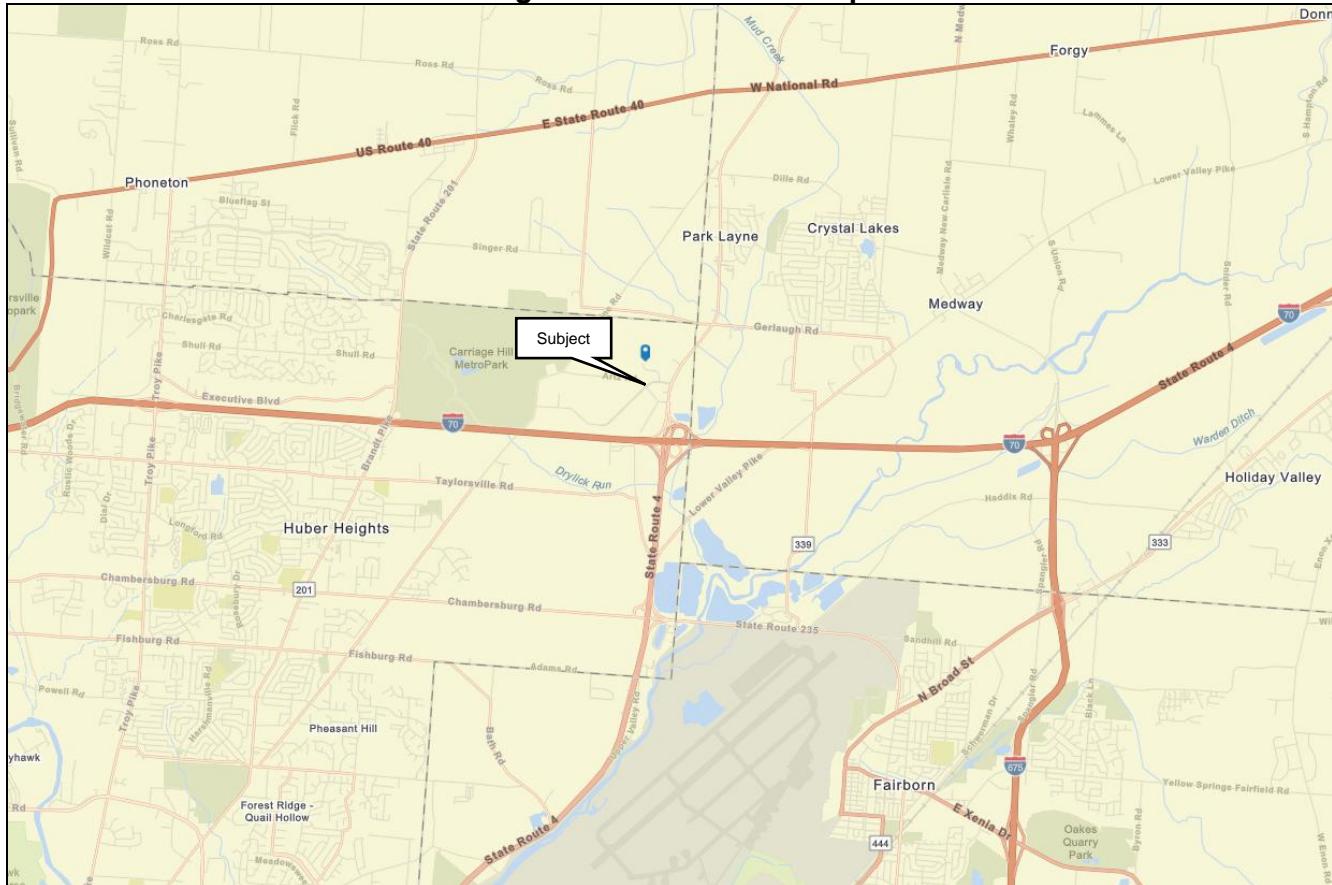
Growth Trends: The city of Dayton has seen a gradual erosion of influence in the last forty years as growth in housing, population and jobs have all migrated to the suburbs. Some of the more dominant suburban areas to benefit from this migration include Beavercreek and Sugarcreek Township located in western Greene County and Miami and Washington Township in southern Montgomery County.

The growth trends have followed the path of the interstate highway system. Dayton is served by two interstate highways I-70 and I-75. I-75 is a major north/south traffic artery connecting Dayton with major cities from Michigan to Florida. I-70 is a major east/west route. In addition, I-675 serves as a connector route between I-75 to the south of



the city and I-70 to the northeast of the city. Also, U.S. Routes 35 and 40 running east/west serves the city. The most recent interstate highway, I-675 outer belt, connects the new growth suburbs of Miami, Washington, Sugarcreek, and Beavercreek Township.

Neighborhood Location Map



Source: STDB.com

Location: The subject property is situated in the City of Huber Heights, one block north of I-70 and east of I-75. Huber Heights is located in northeast Montgomery County. Geographically, Montgomery County is bordered to the west by Prebble County, to the north by Darke and Miami Counties, to the east by Clark and Greene Counties, and to the south by Warren and Butler Counties. The city of Huber Heights is bordered to the south by the City of Dayton, to the west by the City of Vandalia, to the north by Miami County, and to the east by Clark and Greene Counties.

Detailed on the following pages are the demographics within a 1-, 3- and 5-mile radius prepared by STDB.com.



Executive Summary

8240 Expansion Way, Dayton, Ohio, 45424
Rings: 1, 3, 5 mile radii

Prepared by Esri

Latitude: 39.87527

Longitude: -84.05935

	1 mile	3 miles	5 miles
Population			
2010 Population	221	14,702	67,041
2020 Population	310	16,809	71,595
2025 Population	304	17,485	72,411
2030 Population	313	17,836	73,678
2010-2020 Annual Rate	3.44%	1.35%	0.66%
2020-2025 Annual Rate	-0.37%	0.75%	0.22%
2025-2030 Annual Rate	0.59%	0.40%	0.35%
2020 Male Population	49.0%	49.3%	49.0%
2020 Female Population	51.0%	50.7%	51.0%
2020 Median Age	45.4	40.3	38.7
2025 Male Population	49.7%	50.1%	49.6%
2025 Female Population	50.3%	49.9%	50.4%
2025 Median Age	44.7	40.6	39.4

In the identified area, the current year population is 72,411. In 2020, the Census count in the area was 71,595. The rate of change since 2020 was 0.22% annually. The five-year projection for the population in the area is 73,678 representing a change of 0.35% annually from 2025 to 2030. Currently, the population is 49.6% male and 50.4% female.

Median Age

The median age in this area is 39.4, compared to U.S. median age of 39.6.



Executive Summary

8240 Expansion Way, Dayton, Ohio, 45424
Rings: 1, 3, 5 mile radii

Prepared by Esri

Latitude: 39.87527

Longitude: -84.05935

	1 mile	3 miles	5 miles
Households			
2025 Wealth Index	94	84	77
2010 Households	98	5,561	25,626
2020 Households	124	6,542	28,054
2025 Households	130	6,967	28,845
2030 Households	134	7,169	29,578
2010-2020 Annual Rate	2.38%	1.64%	0.91%
2020-2025 Annual Rate	0.90%	1.21%	0.53%
2025-2030 Annual Rate	0.61%	0.57%	0.50%
2025 Average Household Size	2.30	2.49	2.49

The household count in this area has changed from 28,054 in 2020 to 28,845 in the current year, a change of 0.53% annually. The five-year projection of households is 29,578, a change of 0.50% annually from the current year total. Average household size is currently 2.49, compared to 2.53 in the year 2020. The number of families in the current year is 18,811 in the specified area.



	1 mile	3 miles	5 miles
Mortgage Income			
2025 Percent of Income for Mortgage	21.2%	16.3%	15.6%
Median Household Income			
2025 Median Household Income	\$70,048	\$81,113	\$77,414
2030 Median Household Income	\$74,130	\$92,419	\$86,561
2025-2030 Annual Rate	1.14%	2.64%	2.26%
Average Household Income			
2025 Average Household Income	\$98,014	\$103,265	\$96,544
2030 Average Household Income	\$109,607	\$116,502	\$108,726
2025-2030 Annual Rate	2.26%	2.44%	2.41%
Per Capita Income			
2025 Per Capita Income	\$43,348	\$41,070	\$38,653
2030 Per Capita Income	\$48,651	\$46,723	\$43,863
2025-2030 Annual Rate	2.34%	2.61%	2.56%
GINI Index			
2025 Gini Index	42.8	41.7	40.9
Households by Income			
Current median household income is \$77,414 in the area, compared to \$81,624 for all U.S. households. Median household income is projected to be \$86,561 in five years, compared to \$92,476 all U.S. households.			
Current average household income is \$96,544 in this area, compared to \$116,179 for all U.S. households. Average household income is projected to be \$108,726 in five years, compared to \$128,612 for all U.S. households.			
Current per capita income is \$38,653 in the area, compared to the U.S. per capita income of \$45,360. The per capita income is projected to be \$43,863 in five years, compared to \$50,744 for all U.S. households.			
Housing			
2025 Housing Affordability Index	102	131	133
2010 Total Housing Units	122	6,021	27,772
2010 Owner Occupied Housing Units	85	4,429	18,882
2010 Renter Occupied Housing Units	13	1,132	6,744
2010 Vacant Housing Units	24	460	2,146
2020 Total Housing Units	153	6,932	29,697
2020 Owner Occupied Housing Units	101	5,014	19,723
2020 Renter Occupied Housing Units	23	1,528	8,331
2020 Vacant Housing Units	16	375	1,648
2025 Total Housing Units	148	7,352	30,515
2025 Owner Occupied Housing Units	109	5,432	20,448
2025 Renter Occupied Housing Units	21	1,535	8,397
2025 Vacant Housing Units	18	385	1,670
2030 Total Housing Units	150	7,534	31,167
2030 Owner Occupied Housing Units	113	5,608	20,872
2030 Renter Occupied Housing Units	21	1,561	8,706
2030 Vacant Housing Units	16	365	1,589
Socioeconomic Status Index			
2025 Socioeconomic Status Index	54.2	50.5	51.2

Currently, 67.0% of the 30,515 housing units in the area are owner occupied; 27.5%, renter occupied; and 5.5% are vacant. Currently, in the U.S., 57.9% of the housing units in the area are owner occupied; 32.3% are renter occupied; and 9.8% are vacant. In 2020, there were 29,697 housing units in the area and 5.5% vacant housing units. The annual rate of change in housing units since 2020 is 0.52%. Median home value in the area is \$193,404, compared to a median home value of \$370,578 for the U.S. In five years, median value is projected to change by 5.33% annually to \$250,780.



Civilian Labor Force Profile

8240 Expansion Way, Dayton, Ohio, 45424

Ring: 5 mile radius

Prepared by Esri

Latitude: 39.87527

Longitude: -84.05935

Age Group	2025 Labor Force			Unemployment Rate	Labor Force Participation Rate	Employment-Population Ratio
	Population	Employed	Unemployed			
16+	58,035	34,458	1,677	4.6%	62.3%	59.4%
16-24	7,771	4,401	534	10.8%	63.5%	56.6%
25-54	27,608	22,113	933	4.0%	83.5%	80.1%
55-64	8,739	5,226	159	3.0%	61.6%	59.8%
65+	13,915	2,718	51	1.8%	19.9%	19.5%
Male Age 16+	28,498	18,951	732	3.7%	69.1%	66.5%
Female Age 16+	29,536	15,507	945	5.7%	55.7%	52.5%
White Age 16+	45,260	26,401	1,274	4.6%	61.1%	58.3%
Black Age 16+	6,050	3,655	144	3.8%	62.8%	60.4%
American Indian Age 16+	209	126	4	3.1%	62.2%	60.3%
Asian Age 16+	1,572	1,237	11	0.9%	79.4%	78.7%
Pacific Islander Age 16+	45	32	0	0.0%	71.1%	71.1%
Other Race Age 16+	1,122	786	113	12.6%	80.0%	70.1%
Multiple Races Age 16+	3,776	2,221	131	5.6%	62.3%	58.8%
Economic Dependency Ratio						
Total						106.7
Child (<16)						41.7
Working-Age (16-64)						32.5
Senior (65+)						32.5

Industry	Employed	Percent	US Percent	Location Quotient
Total	34,458	100.0%	100.0%	-
Agriculture/Forestry/Fishing	108	0.3%	1.1%	0.29
Mining/Quarrying/Oil & Gas	4	0.0%	0.3%	0.04
Construction	2,008	5.8%	7.0%	0.84
Manufacturing	5,159	15.0%	9.6%	1.56
Wholesale Trade	660	1.9%	1.9%	0.98
Retail Trade	4,204	12.2%	10.4%	1.18
Transportation/Warehousing	2,109	6.1%	5.0%	1.23
Utilities	212	0.6%	0.9%	0.68
Information	350	1.0%	1.8%	0.56
Finance/Insurance	1,216	3.5%	4.9%	0.73
Real Estate/Rental/Leasing	489	1.4%	1.7%	0.85
Professional/Scientific/Tech	2,595	7.5%	8.4%	0.90
Management of Companies	188	0.5%	0.2%	3.51
Admin/Support/Waste Management	1,438	4.2%	4.5%	0.92
Educational Services	2,236	6.5%	9.4%	0.69
Health Care/Social Assistance	5,267	15.3%	14.5%	1.06
Arts/Entertainment/Recreation	331	1.0%	2.2%	0.44
Accommodation/Food Services	2,262	6.6%	6.6%	0.99
Other Services (Excluding Public)	1,436	4.2%	4.7%	0.89
Public Administration	2,188	6.3%	5.0%	1.26



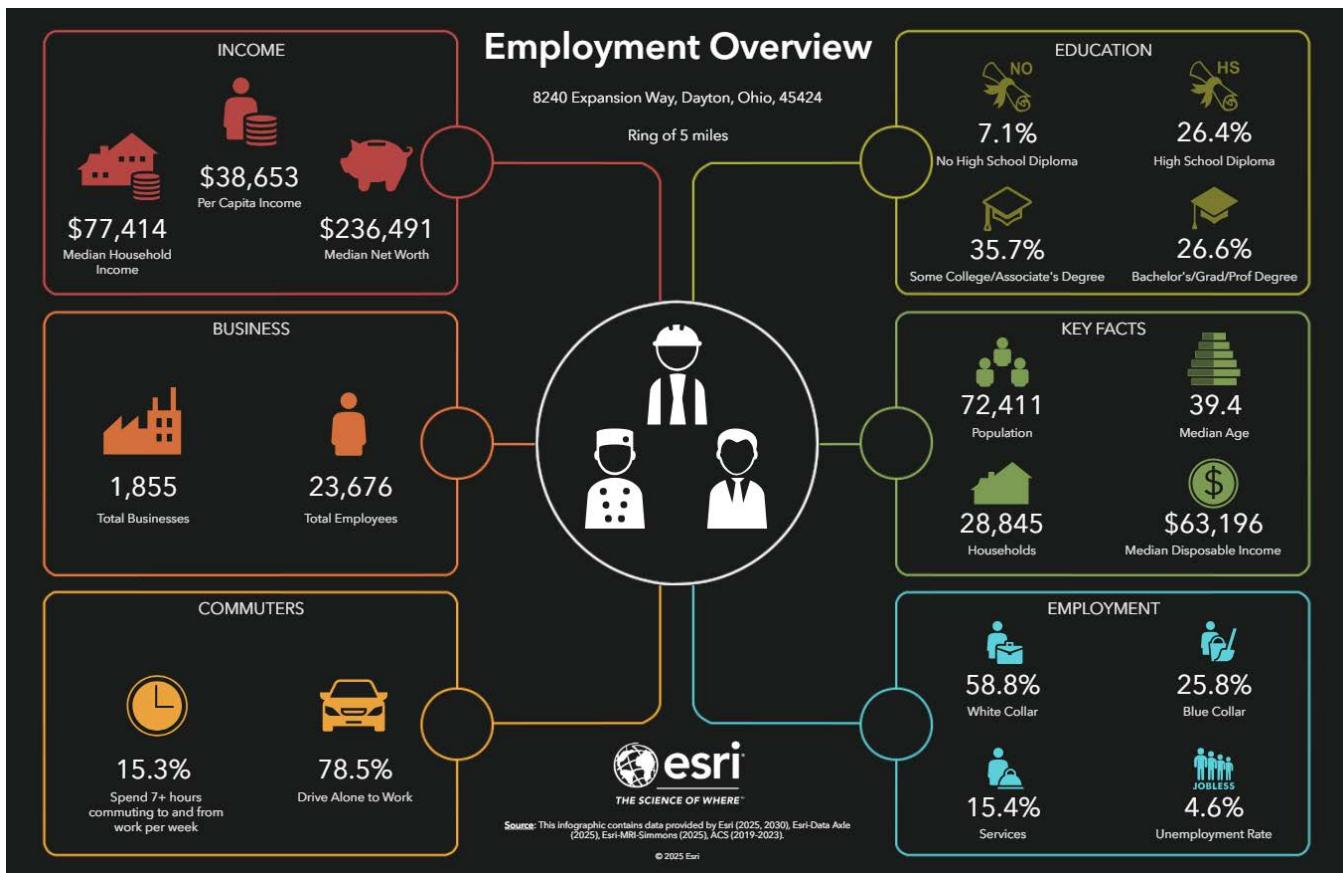
5-Mile Radius



Civilian Labor Force Profile

8240 Expansion Way, Dayton, Ohio, 45424
Ring: 5 mile radiusPrepared by Esri
Latitude: 39.87527
Longitude: -84.05935

Occupation	Employed	Percent	US Percent	Location Quotient
Total	34,458	100.0%	100.0%	-
White Collar	20,263	58.8%	62.5%	0.94
Management	3,044	8.8%	11.8%	0.75
Business/Financial	1,890	5.5%	6.4%	0.85
Computer/Mathematical	1,581	4.6%	4.0%	1.15
Architecture/Engineering	1,011	2.9%	2.3%	1.25
Life/Physical/Social Sciences	411	1.2%	1.3%	0.93
Community/Social Service	575	1.7%	1.8%	0.92
Legal	124	0.4%	1.2%	0.31
Education/Training/Library	1,438	4.2%	6.3%	0.66
Arts/Design/Entertainment	459	1.3%	2.1%	0.62
Healthcare Practitioner	2,662	7.7%	6.7%	1.16
Sales and Sales Related	2,913	8.5%	8.4%	1.01
Office/Administrative Support	4,155	12.1%	10.1%	1.20
Blue Collar	8,899	25.8%	21.0%	1.23
Farming/Fishing/Forestry	28	0.1%	0.5%	0.17
Construction/Extraction	1,246	3.6%	4.9%	0.74
Installation/Maintenance/Repair	1,397	4.1%	2.9%	1.39
Production	2,663	7.7%	5.0%	1.54
Transportation/Material Moving	3,565	10.3%	7.7%	1.35
Services	5,295	15.4%	16.5%	0.93
Healthcare Support	1,361	3.9%	3.5%	1.12
Protective Service	765	2.2%	2.1%	1.07
Food Preparation/Serving	1,753	5.1%	5.1%	1.00
Building Maintenance	933	2.7%	3.4%	0.80
Personal Care/Service	483	1.4%	2.4%	0.58



As can be seen in the above population statistics, households within a five-mile radius of the subject property has historically remained flat from 2020-2025 and is project to increase 0.35% annually from 2025-2030. Population statistics primarily reflect for the migration of residence out of the built-up areas west and south of the subject property in and around the City of Dayton to surrounding suburbs where there is vacant abundant residential land for new construction

The majority of the City of Huber Heights is contained within the Huber Heights City School District. A small area in the northern portion of Huber Heights is located within the Bethel Local School District. The subject property is located in the Huber Heights City School District.

Higher education for residents of Huber Heights and Montgomery County is primarily available at the University of Dayton, Wright Station University, and Sinclair Community College within the Greater Dayton area.

Economic Consideration

The City of Huber Heights is strategically located in the Miami Valley region, with access to both I-75 to the west and I-70 to the north, in addition to I-675. There are three interchanges off of I-70, all within the city limits. The City of Huber Heights contains 850 local businesses, as well as major industries including ABF Freight System, Inc., Apache Technologies, Dayton Freight, Laser Mike, AIGA/BTC, Bowser Morner, Coca Cola, and Genetics Fukui USA, Hughes-Peters, Metokote, and Trimble Navigation. Other major employers within the city of Huber Heights include the Huber Heights City School District, as well as the City itself, as well as Good Samaritan Hospital.



The commercial areas of Huber Heights include various newer retail developments that include major big-box retailers including Kroger, Camping World RV Center, Dick's Sporting Goods, Lowe's, Wal-Mart, Meijer, Kohl's, Hobby Lobby, as well as Bed Bath & Beyond. The newest development, known as the Northpark Center, includes a Kohl's Department Store with smaller inline retail tenants. There is a new Buc-ee's Travel Center under construction near the subject in the northeast quadrant of State Route 235 and I-70. Buc-ee's is a massive high foot traffic gas station/convenience store open 24 hours a day with each location generating sales of 1.5 million dollars per day.

In addition to the residential and commercial development, industrial development has also been growing in recent years. The Center Point 70 Commerce Park contains over 20 businesses and employs over 1,600 people. This expansion has taken place since 1999 when the city extended Executive Boulevard that opened 195 acres of industrial land for development.

The primary economic driving force within the extended area is the Wright Patterson Air Force Base. The Wright Patterson Air Force Base is the country's number one military high-tech research and development and procurement hub, and Ohio's largest single-site employer. Wright Patterson Air Force Base is located eight minutes southeast of Huber Heights in nearby Fairborn,

Governmental Considerations

Huber Heights was incorporated in 1981 and is governed by a council/city manager form of government. The city manager appoints department and division heads to oversee the functions of each department and division. The city of Huber Heights departments and divisions include the Clerk of Courts office, the finance department, the human resources department, the law department, the planning and development department, the buildings and grounds division, community services division, the engineering division, fire division, the information technology division, the police division, the public works division, the tax division, and the water and waste water division. The city of Huber Heights has a 2% effective income tax rate. The fire department consists of full-time personnel. The city has fire departments located on Brandt Pike and Old Troy Pike. The city's police department consists of full-time personnel. The city police department continues to maintain the lowest emergency response time in the area.

The city of Huber Heights maintains its own city park system. The city park system contains over 1,000 acres of active and passive park land, of which 14 parks and 133 acres are controlled by the city park system, while the remaining parks are controlled by the Five Rivers MetroParks system, which is an all-encompassing park district throughout Greater Dayton. The largest parks within the Huber Heights system include the community park on Chambersburg Road, the Sholgate Park on Shol Road, and the Menlo Park on Seaman Drive. There are additional community recreation facilities that include a community municipal pool on Fishburg Road.

Environmental Considerations

Environmental considerations consist of certain features that are contained in our effective neighborhood or its geographic location. One of the most positive influences on Huber Heights in the subject's neighborhood is its location and proximity to I-75 to the west and I-70 to the north. There are three I-70 interchanges located within the city of Huber Heights at Old Troy Pike, Brandt Pike, and at South Dayton-Lakeview Road. Interstate 675 is located east of Huber Heights, approximately 3.0 miles east of the farthest eastern point within Huber Heights. The topography of the area is generally level to gently sloping, although the valleys of the Great Miami River, Little Miami River, Mad River, and Stillwell River Valleys created some sloping to rolling topography in the



surrounding areas. There are major rail lines running through the area, and the Dayton International Airport is located five to ten minutes from the center of Huber Heights in the city located to the northwest of subject's area known as Vandalia.

The neighborhood is served with all public utilities, of which there is adequate supply, and costs have remained in balance. Electric and natural gas are provided by the Dayton Power and Light Company, while the city of Huber Heights provides water and sewer.

Immediate Area

Located to the west and south of the subject are light industrial users. Located to the east are smaller light industrial and commercial service properties. Located to the north is a commercial service use, construction and single-family homes. Overall, the subject property's neighborhood is considered to be a positive influence on that of the subject property.

Conclusion

The subject property is located in northern Huber Heights, south of I-70. The strength for Huber Heights is it's proximately to I-70 and I-75 which is evidenced by the new construction taking place along those interchanges off of I-70. Going forward, Huber Heights is well positioned to take advantage of the improving economy given its strong employment base and excellent interstate accessibility



Industrial Market



KEY TAKEAWAYS

- Development Outlook:** Shovel ready, tax abated land sites in direct proximity to the Dayton Airport are under contract; speculative construction could begin by Q4 2025.
- Tenant Activity Absorption:** Driven primarily by expansions (e.g., United Alloy, Modula) rather than new market entries.
- Market Dynamics:** Class B space remains slow while flight-to-quality continues.
- Vacancy Rate is Stable:** As supply & demand move to equilibrium.



HISTORIC COMPARISON

	24Q2	25Q1	25Q2
Total Inventory (in Millions of SF)	103.7	104.2	105.3
New Supply (in Thousands of SF)	0.0	264.2	1415.0
Net Absorption (in Thousands of SF)	-454.6	-63.6	987.1
Overall Vacancy	4.2%	4.2%	4.3%
Under Construction (in Thousands of SF)	1,100.0	1,100.0	669.8
Overall Asking Lease Rates (NNN)	\$5.47	\$5.59	\$5.58

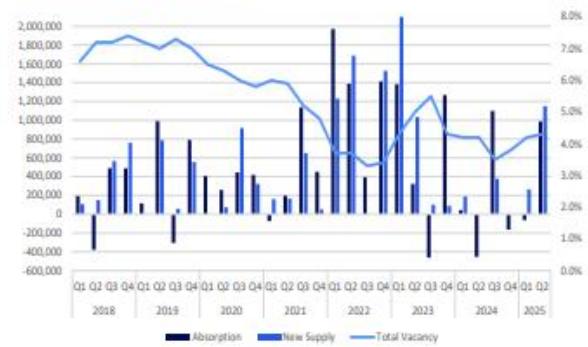
MARKET INDICATORS



OVERVIEW

The Dayton industrial market posted strong absorption in Q2 2025, driven by General Motors' 1.1 million-square-foot build-to-suit occupancy. With Class A space nearly tapped out and several key land sites under contract, the market is poised for a new cycle of development. Rents held steady, construction slowed, and tenant demand remains focused on quality as Dayton positions itself for long-term growth.

MARKET GRAPH



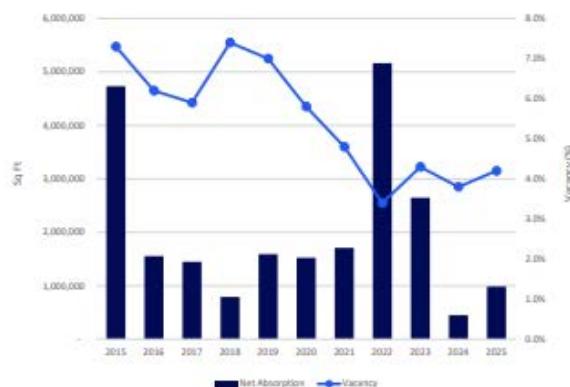


Q2 INDUSTRIAL

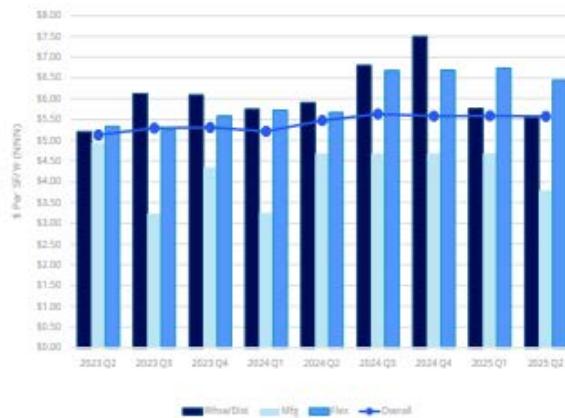
Tipping Point: A Market Pressured by Demand, Diminishing Supply, and the Promise of New Development

The Dayton industrial market held steady in Q2 2025, though signs of strain are beginning to emerge as Class A availability tightens. Activity ramped up near the Dayton International Airport, where demand for large, modern spaces is quickly outpacing supply. With rents holding flat and construction tapering off, tenants seeking high-quality space may soon face limited options.

General Motors' 1.1 million-square-foot build-to-suit delivery dominated the quarter, pushing overall net absorption to 923,559 square feet. Without this single project, the market would have posted negative absorption of 112,844 square feet, reflecting uneven demand across the product spectrum. United Alloy also contributed to occupancy gains, moving into 349,000 square feet at 2050 Old Springfield Road. These large move-ins highlight Dayton's continued strength in supporting major industrial users, particularly those expanding existing operations.



Rents remained unchanged at \$5.58 per square foot, a reflection of stable market conditions. However, leasing demand is concentrated almost entirely in Class A space, with limited activity in older Class B assets. This flight to quality continues to define market dynamics as tenants prioritize efficiency, clear heights, and proximity to infrastructure.



The freezer and cooler segment gained traction with a 125,000-square-foot facility under construction in Fairborn. Located at 1095 E. Xenia Drive, the building has 71,400 square feet still available and sits strategically between Dayton and Columbus. While that corridor has yet to see significant crossover demand, Columbus' rapid growth may soon make Dayton a preferred expansion target for regional logistics and cold storage users.

Construction activity slowed this quarter with 669,880 square feet still underway, down from earlier highs. But momentum is returning. Several land sites near the airport are now



Q2 DAYTON INDUSTRIAL

Submarket/ Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate
Grand Total											
Bulk Warehouse	24,942,796	6.4%	0.0%	6.4%	6.4%	8.2%	1,449,440	1,567,430	286,480	-	\$5.49
Warehouse - Distribution	7,106,699	6.5%	0.0%	6.5%	6.5%	5.8%	(50,094)	(165,741)	196,400	51,000	\$5.56
Manufacturing	23,785,927	2.0%	0.0%	2.0%	2.0%	1.6%	(33,914)	2,150	177,000	1,364,214	\$3.79
Flex/R&D	6,769,455	7.7%	0.1%	7.7%	7.8%	6.0%	(108,422)	(233,371)	-	-	\$6.45
Light Industrial	42,774,912	2.8%	0.0%	2.8%	3.5%	2.9%	(269,854)	(246,909)	10,000	-	\$5.58
TOTAL	105,379,789	4.0%	0.0%	4.0%	4.3%	4.2%	987,156	923,559	669,880	1,415,214	\$5.58

SUBMARKETS BY TYPE

Central											
Bulk Warehouse	1,566,308	30.3%	0.0%	30.3%	30.3%	30.3%	-	(446,840)	-	-	-
Warehouse - Distribution	2,131,584	4.5%	0.0%	4.5%	4.5%	3.9%	(12,894)	(12,894)	-	-	\$5.12
Manufacturing	6,198,936	2.3%	0.0%	2.3%	2.3%	2.0%	29,140	42,140	-	-	\$3.79
Flex/R&D	1,238,656	3.6%	0.0%	3.6%	3.6%	0.8%	(34,737)	(34,737)	-	-	\$4.96
Light Industrial	15,787,438	2.8%	0.0%	2.8%	3.9%	3.5%	(67,415)	(82,124)	-	-	\$4.55
TOTAL	26,923,322	4.5%	0.0%	4.5%	5.1%	4.6%	(85,906)	(534,455)	-	-	\$4.45
East											
Bulk Warehouse	811,466	14.0%	0.0%	14.0%	14.0%	14.0%	-	-	-	-	\$4.61
Warehouse - Distribution	347,000	43.4%	0.0%	43.4%	43.4%	43.4%	-	(88,120)	-	-	\$3.95
Manufacturing	712,400	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Flex/R&D	297,063	8.6%	0.0%	8.6%	8.6%	10.4%	5,165	5,883	-	-	\$8.73
Light Industrial	1,152,299	0.8%	0.0%	0.8%	0.8%	0.8%	-	(9,640)	-	-	-
TOTAL	3,320,228	9.0%	0.0%	9.0%	9.0%	9.2%	5,165	(91,877)	-	-	\$4.77
North											
Bulk Warehouse	14,429,395	5.6%	0.0%	5.6%	5.6%	8.0%	349,440	524,160	-	-	\$6.05
Warehouse - Distribution	1,604,675	0.6%	0.0%	0.6%	0.6%	0.6%	-	-	-	-	\$4.00
Manufacturing	1,779,908	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Flex/R&D	828,599	7.6%	0.0%	7.6%	7.3%	5.3%	(16,675)	(22,835)	-	-	\$7.30
Light Industrial	5,506,052	2.4%	0.3%	2.6%	2.6%	1.9%	(30,825)	(44,825)	-	-	\$6.33
TOTAL	24,148,629	4.2%	0.1%	4.2%	4.2%	5.4%	301,940	456,500	-	-	\$6.06
South											
Bulk Warehouse	2,035,893	0.0%	0.0%	0.0%	0.0%	0.0%	-	390,110	286,480	-	-
Warehouse - Distribution	2,387,992	8.6%	0.0%	8.6%	8.6%	7.0%	(37,200)	(64,727)	-	51,000	\$6.62
Manufacturing	7,175,056	2.1%	0.0%	2.1%	2.0%	1.9%	(4,298)	18,766	177,000	1,364,214	-
Flex/R&D	4,134,555	7.2%	0.1%	7.3%	7.5%	6.6%	(22,166)	(101,573)	-	-	\$6.51
Light Industrial	11,577,614	4.3%	0.0%	4.3%	4.9%	3.5%	(156,192)	(71,320)	10,000	-	\$6.22
TOTAL	27,311,110	4.2%	0.0%	4.2%	4.5%	3.6%	(219,856)	171,256	473,480	315,214	\$6.41
Upper East											
Bulk Warehouse	1,842,573	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Warehouse - Distribution	297,731	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	196,400	-	-
Manufacturing	2,302,878	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Flex/R&D	98,788	40.6%	0.0%	40.6%	40.6%	40.6%	-	(40,100)	-	-	\$5.00
Light Industrial	5,297,976	0.7%	0.0%	0.7%	1.7%	1.9%	8,578	(15,000)	-	-	\$4.75
TOTAL	9,839,946	0.8%	0.0%	0.8%	1.3%	1.4%	8,578	(55,100)	196,400	-	\$4.92



Submarket/ Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate
Upper Valley											
Bulk Warehouse	2,334,799	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	\$7.34
Warehouse - Distribution	281,100	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	\$7.34
Manufacturing	4,197,997	4.3%	0.0%	4.3%	4.3%	2.9%	(58,756)	(58,756)	-	-	\$6.50
Flex/R&D	171,794	28.2%	0.0%	28.2%	28.2%	5.1%	(40,009)	(40,009)	-	-	\$6.50
Light Industrial	3,196,036	2.4%	0.0%	2.4%	2.4%	1.7%	(24,000)	(24,000)	-	-	\$7.34
TOTAL	10,181,726	3.0%	0.0%	3.0%	3.0%	1.8%	(122,765)	(122,765)	-	-	\$6.68
West											
Bulk Warehouse	1,922,362	10.4%	0.0%	10.4%	10.4%	24.3%	1,100,000	1,100,000	-	-	\$3.75
Warehouse - Distribution	56,217	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	\$3.75
Manufacturing	1,418,752	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	1,100,000	\$3.75
Light Industrial	257,497	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	\$3.75
TOTAL	3,654,828	5.5%	0.0%	5.5%	5.5%	7.8%	1,100,000	1,100,000	-	1,100,000	\$3.75
Dayton Quarterly Comparisons and Totals											
Q2 2025	105,379,789	4.0%	0.0%	4.0%	4.3%	4.2%	987,156	923,559	669,880	1,415,214	\$5.58
Q1 2025	103,870,826	3.8%	0.1%	3.9%	4.2%	3.8%	(63,597)	(63,597)	1,563,490	264,214	\$5.59
Q4 2024	103,968,698	3.0%	0.1%	3.1%	3.8%	3.5%	(164,726)	451,321	1,100,000	96,480	\$5.58
Q3 2024	103,770,216	3.4%	0.1%	3.5%	3.5%	4.2%	1,100,074	645,477	1,100,000	564,462	\$5.63
Q2 2024	103,775,035	4.5%	0.1%	4.6%	4.2%	4.2%	(468,477)	(454,597)	1,100,000	186,500	\$5.47



REAL ESTATE TAX DATA

The real estate assessment percentage in Ohio is 35% of the total true market value. The total true value of the real estate generally equates to the fair market value. The assessed value is then multiplied by the effective tax rate.

Taxes are payable on a semi-annual basis, usually in January and July, 12 months in arrears. The January bill pays the taxes for the previous January to June of the preceding year. Tax complaints must be filed by March 31st and the lien date for the complaint in the preceding January 1st. For example, if the valuation date of January 1, 2024, is contested, the complaint must be filed by March 31, 2025.

The subject's parcel is currently assessed by the Montgomery County Auditor's office as follows:

	ASSESSED VALUE (35%)	MARKET VALUE (100%)
Land	\$64,600	\$184,580
Improvements	\$110,400	\$315,420
TOTAL	\$175,000	\$500,000
Current Annual Real Estate Taxes: \$13,838.85		

Effective Rate

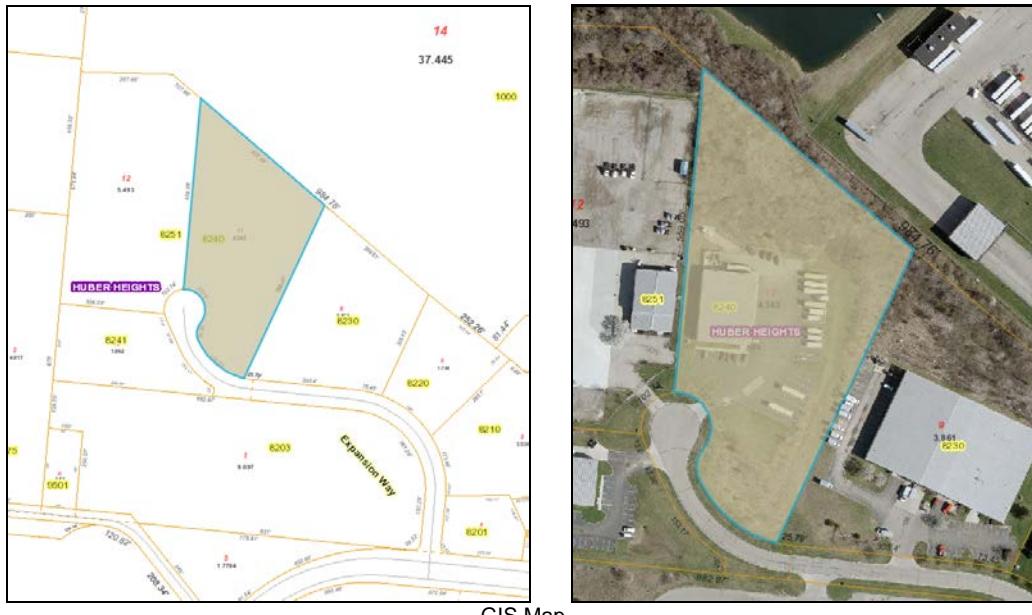
The current effective tax rate for commercial and industrial properties within the city of Huber Heights in the Huber Heights City School District in Montgomery County, Ohio is \$75.42 per \$1,000 of assessed valuation. This tax rate falls towards the middle of the range within the Dayton MSA. Therefore, the expected level of taxes does not constrain the marketability of the subject property. In Montgomery County 2026 is a reappraisal year

Special Assessments & Delinquent Taxes

There are no delinquent taxes reported for the subject property.



SITE DATA



GIS Map

Location:

The subject is located at 8240 Expansion Way, Huber Heights, Montgomery County, Ohio 45424.

Land Area:

The subject is an irregular shaped cul de sac site that contains a gross land area of approximately 4.343 acres.

Shape and Dimensions:

The subject property has approximately 371 feet of frontage on the Expansion Way cul de sac. The usable width ranges from 260 feet in the southern section to approximately 500 feet near the northern lot line. The shape is further detailed in the above CAGIS map.

Topography:

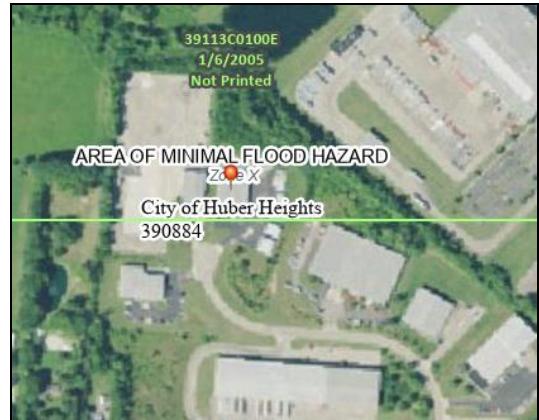
The topography is level to modestly rolling. The northern 1.4 acres is wooded, and the southern 0.40 acres is a storm water detention basin.

Soil Characteristics:

Soil information is not available, but it is believed that the site is buildable since the property has been improved for some time, as have other sites in the immediate proximity of the subject property.

Floodplain and Definition of Zone:

The subject site is located within Flood Zone X. Flood Zone X is an area of minimal flooding. The subject is contained on two FEMA Community Panel No. 39113C0185E effective 1/6/2005 and 39113C0100E dated 1/06/2005 (panel not printed) . Following is the flood zone map for reference.



Utilities:

The subject has availability to all public utilities including water, sewer, natural gas and electric. All utilities are provided by metropolitan base supplies.

Easements:

There are no known deed restrictions or easements that adversely affect the marketability of the subject property. The subject site is affected by typical utility easements, right-of-way easements and easements of record.

Encroachments:

There are no encroachments observed during the site visit.

Street Improvements:

The subject has frontage along the Expansion Way cul de sac which is asphalt paved with concrete box curbs and gutters. The subject is accessed by one curb cuts. The street improvements are illustrated in the following photographs.



Looking south on Expansion Way



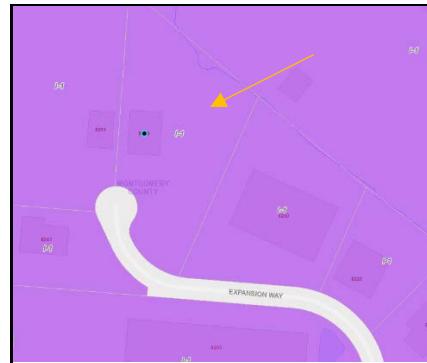
Looking north on Expansion Way



Zoning:

The subject property is located within the zoning jurisdiction of the City of Huber Heights, Montgomery County, Ohio. The subject site is zoned I-1 Light Industrial and mixed use District. The purpose of the I-1 District is intended to provide for a mixture of light industrial, commercial, and office uses in areas of the community which not only possess characteristics suitable for business development. Uses in this district shall be operated in a clean and quiet manner and are subject to additional performance standards. The principle permit uses include light industrial, motor vehicle garages, office and all uses permitted in the B-1, B-2 and O-1 Districts. The minimum lot area is 20,000 square feet and the minimum lot width is 100 feet.

The minimum front yard setback is 50 feet, the minimum rear yard setback is 25 feet and the minimum side yard setback is 15 feet. These setbacks vary depending on the abutting zoning and principal building height. The subject is a legally permitted use. Following is the zoning map for reference.



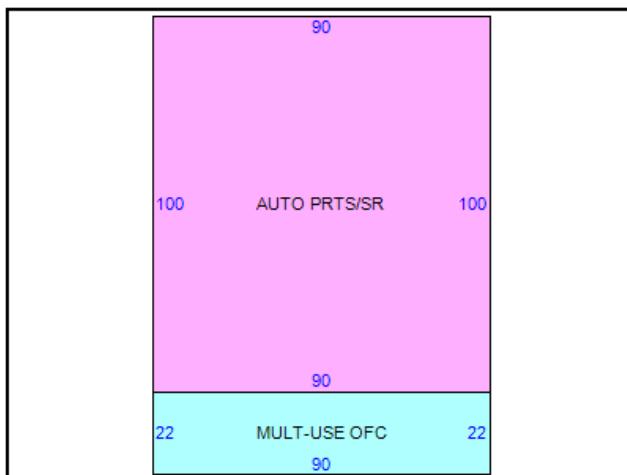


IMPROVEMENT DESCRIPTION

The improvement description below has been collected from a property visit, a review of information provided by the client, owner, field measurements taken at the time of the property visit and information obtained from the Montgomery County Auditors' Office.

General Description:

The subject is a 10,980 SF office/ commercial service light industrial property constructed in 2005. The subject buildings contains approximately 1,900 SF (17%) of finished office and support space. Following is the building sketch obtained from the Montgomery County auditor's office.



Building Sketch

Building Construction:

One story building of pre-engineered steel construction with split face concrete block on the front elevation.

Age and Condition:

The subject improvements were built in 2005 and were in above average to good condition at the time of the onsite visit. According to **Marshall Valuation Service**, buildings similar to the subject has an estimated useful life of 40 years. Based on the subject estimated effective age of 15 years, the subject has a remaining useful life of 25 years. Physical depreciation is 38%.

Basic Construction:

Foundation:

The foundation is concrete block with 6 inch thick concrete slab on grade.

Framing:

The framing for the subject is structural steel.



Exterior Walls:	The exterior walls of the building are insulated metal panels for the industrial shop space with a split face concrete block wainscoting along the front elevation of the office area.
Roof:	Pre-engineered metal.
Warehouse Ceiling Height:	19-20 feet
Dock Doors:	0
Drive-In Doors:	(4) 14'x16'. The subject is a 4 bay commercial service light industrial building with one bay having a recessed service pit in the concrete slab.

Mechanical Features:

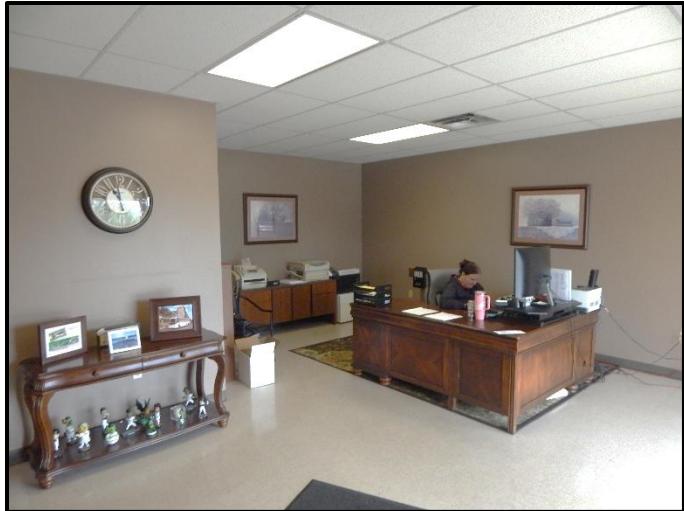
HVAC:	The office space is both heated and centrally air-conditioned . The warehouse/ commercial service space is heated via gas fired infrared radiant tube heaters.
Electric:	The electric is assumed adequate to support the current use.
Sprinkler:	None.
Lighting:	High efficiency fixtures.

Interior Finish:

Walls:	Painted drywall vinyl and vinyl baseboards and solid wood doors in metal frames for the office area. The warehouse has insulated backed metal walls panels and concrete block.
Floors:	Carpet, VCT, epoxy and sealed concrete.
Ceilings:	Acoustical tile and exposed metal roof decking and joists.
Restrooms:	Adequate for current use.
	The interior finish is further illustrated in the following photographs.



BECK CONSULTING, INC.



Reception area



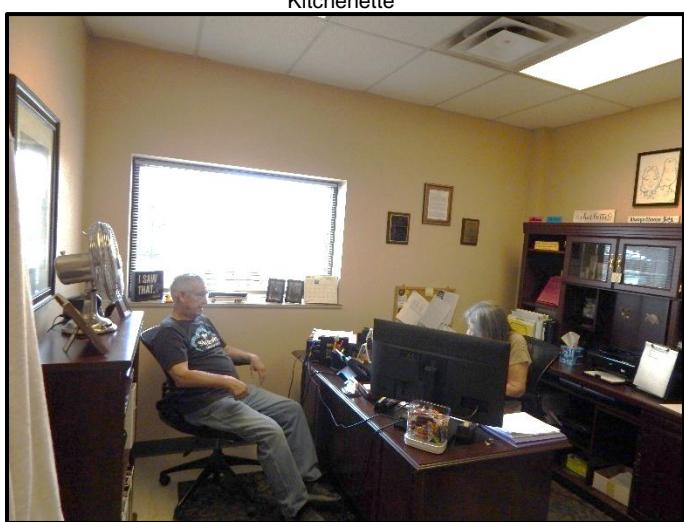
Office hallway



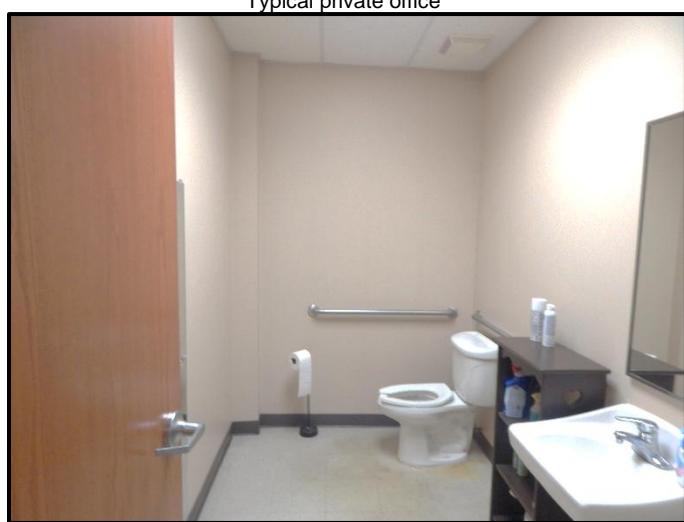
Kitchenette



Typical private office



Typical private office



Office restroom



Interior Photos of Shop Space



Parking:

The subject property has approximately 0.70 acres of heavy duty asphalt paving that can park 21 full sizes buses. Off the front elevation there are 8 employe asphalt paved parking spots, plus additional paving off the rear elevation. There is adequate parking that would accommodate most users.

Site Improvements:

Site improvements consist of landscaping, concrete walkways providing ingress and egress to the building improvements, concrete dumpster pad, parking lot lighting. **There is an underground fuel storage tank and dispensing pump.**

Deferred Maintenance:

There was no obvious deferred maintenance observed during the site visit. There was a small 4'x 4' section of dry wall in one of the perimeter offices that was being repaired. There is also typical wear and tear for properties of this age and use.



Land-to-Building Ratio: 17.23:1 based on gross land area

Functional Utility and Summary: The subject is an office/commercial service light industrial building containing approximately 10,980 square feet constructed in 2005 by the current owner. The subject functions well for its current use and could be used by other office/ light industrial users who need surplus land for expansion or yard storage.



PART IV. ANALYSIS OF DATA AND CONCLUSIONS

HIGHEST AND BEST USE

The following definition of highest and best use appears in the 7th edition of *The Dictionary of Real Estate Appraisal* (Appraisal Institute, Chicago, 2022).

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. The four criteria the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum profitability.

When one estimates highest and best use, the property must first be analyzed as though vacant. In this stage, the existing improvements, buildings, site improvements, and underground improvements are assumed nonexistent. A conclusion is made about the use that meets the four criteria of the highest and best use definition.

From this analysis, one must conclude to leave the site vacant or construct the ideal improvement. The ideal improvement provides all of the characteristics that are demanded by the market, and is defined by the seventh edition of *The Dictionary of Real Estate Appraisal* as:

The improvement that takes maximum advantage of the site's potential given market demand, conforms to current market standards and the character of the market area, and contains the most suitably priced components; the improvement that represents the highest and best use of the land as though vacant.

The next step is to compare the ideal improvement with the existing improvement. From this comparison, a decision is made to leave the improvements as is or to change them. The potential changes include demolition, remodeling, renovation, or conversion to a new use.

By comparing the ideal improvement with the subject property, depreciation and obsolescence are identified. Physical depreciation results from deterioration of the subject improvements over time relative to the ideal improvement. Functional obsolescence is depreciation that relates to superadequate or deficient physical elements that do not conform to the physical elements of the ideal improvement. External obsolescence is depreciation that affects subject improvements from outside the subject site and can be suggested when the ideal improvement is substantially different from the existing improvement in terms of scope, scale, type, nature, or timing.

Following is the highest and best use analysis of the subject property.

Highest and Best Use as If Vacant and Available for Development

Legally Permissible

The subject property is located within the zoning jurisdiction of the City of Huber Heights, Montgomery County, Ohio. The subject site is zoned I-1 Light Industrial and mixed use District. The purpose of the I-1 District is intended to provide for a mixture of light industrial, commercial, and office uses in areas of the community which not only possess characteristics suitable for business development. Uses in this district shall be operated in a clean and quiet manner and are subject to additional performance standards. The principle permit uses include light industrial, motor vehicle garages, office and all uses permitted in the B-1, B-2 and O-1 Districts. The minimum lot area is 20,000 square feet and the minimum lot width is 100 feet.



The minimum front yard setback is 50 feet, the minimum rear yard setback is 25 feet and the minimum side yard setback is 15 feet. These setbacks very depending on the abutting zoning and principal building height. The subject is a legally permitted use.

Physically Possible

The subject site is located in a controlled industrial park and contains a land area of approximately 4.343 acres. The subject has buildable topography, all public utilities available and is not located in a flood zone. Surrounding the subject site include industrial uses to the, north, east, west and south. Given the configuration and the overall size, the subject would more than likely accommodate a single-tenant or owner-user.

Financially Feasible

Financially feasible uses of the site depend upon the improvements developed and whether a positive return can be generated over and above the cost of the improvements, plus the amount paid for the raw ground. Based on the above legally permissible and physically possible uses, proposed uses for the subject property have been narrowed down primarily to an industrial or office/warehouse use due to the size of the site, location, as well as the permissible uses under the zoning classification. Based on the vacancy rate of 2.6% and rental rate for light industrial space in the subject's North submarket of \$6.33/SF, for light industrial development is considered to be a financially feasible use. The subject site would remain vacant to a user is located with the improvement constructed on a build-to-suit basis.

Q2 DAYTON INDUSTRIAL

Submarket/ Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate
North											
Bulk Warehouse	14,429,395	5.6%	0.0%	5.6%	5.6%	8.0%	349,440	524,160	-	-	\$6.05
Warehouse + Distribution	1,604,675	0.6%	0.0%	0.6%	0.6%	0.6%	-	-	-	-	\$4.00
Manufacturing	1,779,908	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Flex/R&D	828,599	7.6%	0.0%	7.6%	7.3%	5.3%	(16,675)	(22,835)	-	-	\$7.30
Light Industrial	5,506,052	2.4%	0.3%	2.6%	2.6%	1.9%	(30,825)	(44,825)	-	-	\$6.33
TOTAL	24,148,629	4.2%	0.1%	4.2%	4.2%	5.4%	301,940	456,500	-	-	\$6.06

Maximally Productive

The maximally productive use of the subject site is to hold for development of a single-tenant industrial or office/warehouse use when a user is located. The improvements would be constructed on a build-to-suit basis.

Highest and Best Use as Improved

The highest and best use as improved is the existing office/commercial service light industrial use. This use is physically possible, legally conforming, and is the most economically feasible, providing maximum productivity to the site. As indicated in the following sales comparison and income approaches to value, the subject improvements contribute value over and above that of the site as if vacant and available for development. The subject has a high land to building ratio indicating there is surplus or excess land. However, based on the location of the retention basin in the southeast corner of the site fronting on Expansion Way the land is surplus that can be used for expansion or yard storage.



EXPLANATION OF THE APPRAISAL METHODOLOGY

To estimate market value, three generally accepted approaches to value are used: the cost approach, the sales comparison approach, and the income approach. The basic principles that underlie these approaches are discussed in the following paragraphs.

Cost Approach

The cost approach is based on the principle of substitution. This assumes that a buyer will consider alternatives to purchasing an existing property. One alternative is to construct a new property that has similar utility. The cost new of a property with similar utility and less depreciation, is used as a benchmark by which the subject's value can be estimated. The land is added to the depreciated value of the improvements. The land is valued at its highest and best use as though it were vacant.

The cost approach is most applicable when building improvements are new because cost and market value are closely related at this point. The cost approach is also applicable in proposed construction, special purpose properties, and for other properties when the market data is not available in quality and quantity. The subject improvements were built in 2005 and have been adequately maintained. The cost approach is unreliable and has not been developed for valuation purposes.

Sales Comparison Approach

The sales comparison approach is based on the principle of substitution. The basic principle that underlies this approach assumes that a buyer will consider alternative properties in the market and not purchase one property when another of similar utility is available. The sales comparison approach uses historical data to estimate value. The strength of this approach is that it can consider not only physical characteristics of property, but also the economic potential. The economic data from sales can be compared with the economic potential of the subject to conclude the market's economic performance requirements. The physical unit of comparison is useful when the economic characteristics of the property are less relevant.

In the market, the unit of comparison typically used for valuing the subject property type is the selling price per square foot of gross building area.

Income Approach

The income approach is based on the principle of anticipation. The market value of property is estimated based on the income potential of the property. The income approach estimates value by converting a net operating income estimate into a value estimate through direct capitalization or yield capitalization. Direct capitalization uses an overall capitalization rate to convert a single year's stabilized income estimate into a value conclusion. Yield capitalization projects multiple years of income and estimates a sale price at the end of a specified holding period. The net cash flows during the holding period, including the reversion, are discounted back to the present value at a return requirement typical for the type of property appraised. As previously stated, the income approach is being detailed in this report.



SALES COMPARISON APPROACH

In the sales comparison approach, the subject property is compared with similar and competitive properties that have recently sold. The sales comparison approach works on the premise that the market value of a property is directly related to prices paid for comparable/competitive properties. The differences between each of these comparable sales and the subject are considered and adjusted. The most common elements of comparison are property rights conveyed, financing terms, sale conditions, market conditions, location and physical characteristics. The basic steps to the sales comparison approach are as follows.

1. The subject improvements are analyzed, and market data is gathered.
2. The market data is analyzed, verified, and compared with the physical and economic potential of the subject property.
3. Appropriate units of comparison are selected, and the sales are compared with the subject property based on each unit of comparison used. There are typically two units of comparison: an economic unit and a physical unit.
4. The market value of the subject property is based on a value conclusion, within a range, that is based on the indicated value from the sale properties, after adjustments for differences.

Unit of Comparison

The unit of comparison used to value the subject property is the price per square foot of gross building area. This is the unit of comparison typically considered most carefully by buyers and is quoted by sellers and agents for this type of property. This is the unit of comparison that has the most relevance in the market. Therefore, this unit of comparison considered most applicable and will be used.

Following is several of the relevant sales being used for comparison with the subject. A detail of each is provided first, and an adjustment discussion follows.



IMPROVED SALE NO. 1

Address 7501 Jacks Lane, Clayton, Montgomery County, Ohio
Tax ID C07-00306 0001 & C06-16318-0005

Sale Data

Grantor Pedtke Properties LLC
Grantee Nelson Family Properties LLC
Sale Date June 3, 2025
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Conventional
Verification William King with selling broker, Steve Peters
With Apex Commercial Group LLC

Sale Price \$1,100,000

Land Data

Land Size 1.35 acres
Zoning Commercial warehouse
Topography Level
Utilities All public available
Flood Info Area outside the floodplain
Present Use Office Warehouse
Encumbrances Normal
Motivation of Parties Buyer: To sell; Owner: To occupy



General Physical Data

Building Type	Single-tenant office warehouse building
Gross SF	15,231 (20% office)
Construction Type	Pre-engineered metal and split face concrete block
Roof Type	Metal standing seam
Foundation	Slab on grade
HVAC	Central HVAC for office; gas-fired unit for warehouse
Parking	Adequate
Clear Span Ceiling Height	16'-22'
Year Built	2003
Condition	Good
Land-To-Building Ratio	3.86:1

Indicators

Sale Price/Gross SF	\$72.22
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Analysis of Pertinent Data

This is a single-tenant, one-story pre-engineered metal and masonry-constructed office warehouse building, which was reportedly in good condition at the time of sale. The property had been listed on the market for 14 than 14 months with an original asking price of \$1,000,000. This has two drive-in doors, 3 dock height doors and 480 3 phase power. There was 15 asphalt paved and striped parking spaces. The true seller was Servpro of Northwest Dayton. This property nis located in a small industrial park in Clayton, Ohio with direct access to I-70.



IMPROVED SALE NO. 2

Address 3395 S. County Road 25A,
 Tipp City, Miami County, Ohio
Tax ID G15 024030

Sales Data

Grantor River Parks Farms
Grantee Auto Real Estate 2 LLC
Sale Date November 6, 2024
Property Rights Fee Simple
Conditions of Sale Arm's Length
Financing Conventional
Verification William King with selling broker Jordan Romberger (ORCD)

Sale Price \$685,000

Land Data

Land Size 1.63 acres
Topography Level
Utilities All public available
Zoning I-1



General Physical Data

Building Type	Office/warehouse
Gross SF	7,980
Office SF	2,394 (30%)
Ceiling Height	12'-14
Construction Type	Steel and concrete
Roof Type	Metal
Foundation	Poured concrete
Electrical	Adequate
HVAC	Full HVAC in office gas heat in warehouse
Dock Doors	2 drive-in doors
Year Built	1969
Condition	Average
Land-to-Building Ratio	4.81:1

Indicators

Sale Price/SF	\$71.88
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Analysis of Pertinent Data

This was listed on the open market for sale. The buyer reportedly gutted the office and reduced the amount of office and converted some to retail/showroom space. There are approximately 35 asphalt paved and striped parking spaces.



IMPROVED SALE NO. 3

Address 400 Gargrave Road, West Carrollton, Montgomery County, Ohio
Tax ID K48 01010 0001

Sale Data

Grantor Gargrave Dayton LLC
Grantee HMD Machinery LLC
Sale Date May 20, 2024
Property Rights Fee Simple
Conditions of Sale Arms-length
Financing Cash to seller
Verification James W. Burt, MAI with selling agent Howard Harris Real Estate Services

Sale Price \$723,000

Land Data

Land Size 1.022 acres
Zoning M-1
Topography Level
Utilities All public available
Shape Irregular
Flood Info Area of minimal flooding
Encumbrances Normal
Motivation of Parties Grantor to divest; Grantee for owner occupancy



General Physical Data

Construction Type	Concrete block and pre-engineered metal office/warehouse building
Gross SF	10,186 SF
Office SF	15%
HVAC	Office heated and cooled, warehouse heated only
Year Built	2001
Overhead Doors	1 drive-in door & 1 exterior dock height
Ceiling Clear	18'
Stories	One
Condition	Good
Land-to-Building Ratio	4.37:1

Indicators

Sale Price/Gross SF	\$70.98
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Analysis of Pertinent Data

This was listed on the market for sale for about three months with an original asking price of \$799,000. This has 25 asphalt paved and striped parking spaces. There is an exterior dock well. This was purchased by an owner user.



IMPROVED SALE NO. 4

Property Identification

Property Type Office/Warehouse
Address 2495 Technical Drive, Miamisburg, Montgomery County, Ohio
Tax ID K46 01520 0001

Sale Data

Grantor Cornerstone Wauseon Inc.
Grantee DLM Properties LLC
Sale Date March 26, 2024
Property Rights Fee Simple
Conditions of Sale Arms Length
Financing Conventional
Verification James W. Burt, MAI with selling broker, Oberer Realty Services

Sale Price

\$1,000,000

Land Data

Land Size 2.069 acres
Zoning I-2
Topography Level to rolling
Utilities All public available
Shape Rectangular
Motivation of Parties Buyer purchased for owner occupancy



General Physical Data

Building Type	Office/Warehouse
Gross SF	10,534 SF
Office%	36%
Construction Type	Pre-engineered steel and masonry
HVAC	100% HVAC
Stories	One
Year Built	1998
Condition	Good
Land-to-Building Ratio	8.56:1
Ceiling Clearance	18'
Overhead Doors	2 drive-in door

Indicators

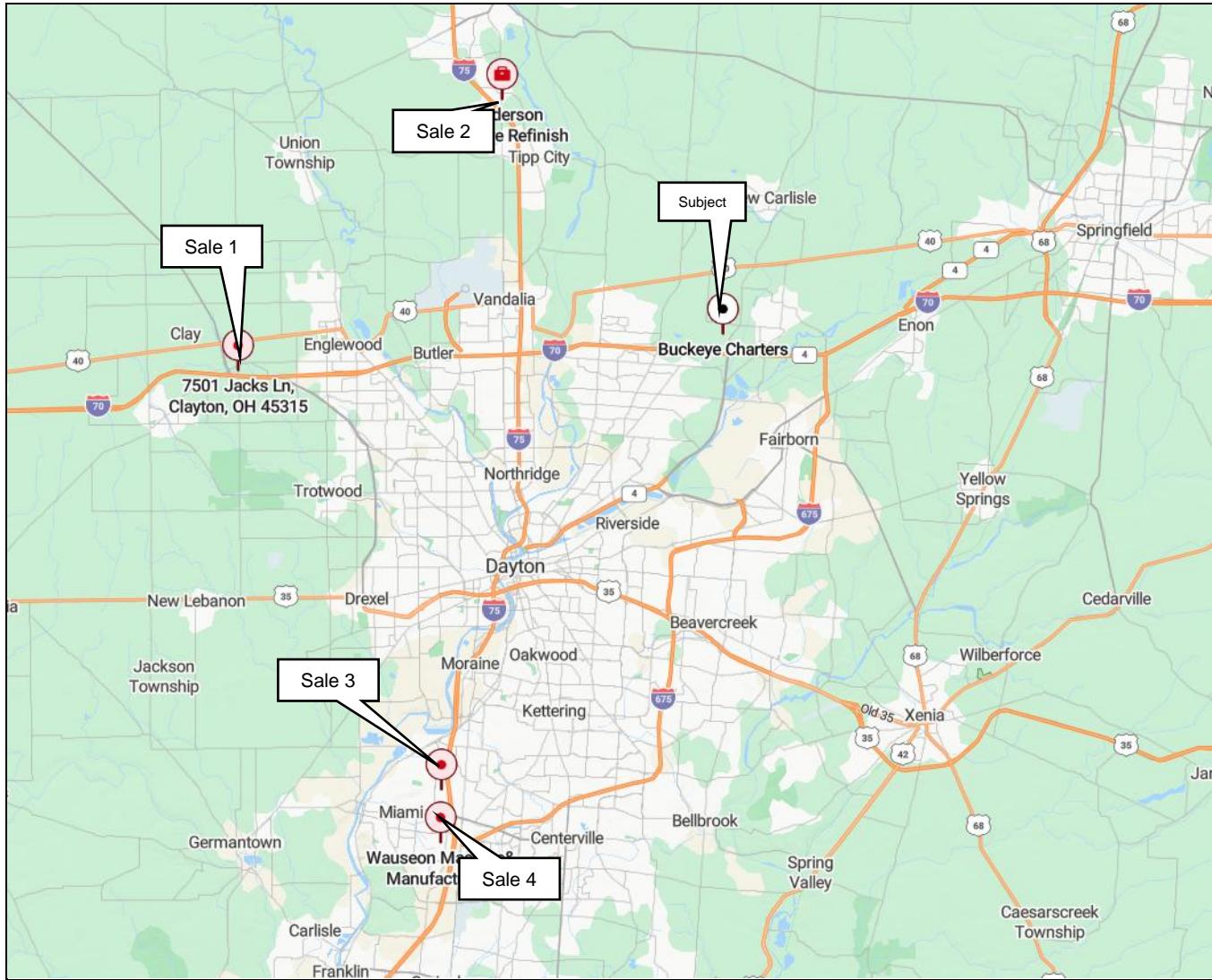
Sale Price/GBA SF	\$94.93
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Analysis of Pertinent Data

This was listed on the market with an original asking price of \$1,100,000 for about seven months. There is 1,475 AMP 480/277V three phase electric. This property has 13 asphalt paved and striped parking spaces.



Comparable Sales Location Map



Source: STDB.com

Conclusion:

A recap of the comparable sales detailed above is following, and their location in relationship to the subject is identified on the above map.

**Summary:**

	Subject	Sale 1		Sale 2		Sale 3		Sale 4	
Location:	8240 Expansion Way, Huber Heights, Montgomery County, Ohio	7501 Jacks Lane Montgomery County, Ohio		3395 S County Road 25A, Tipp City, Montgomery County, Ohio		400 Gargrave Road, West Carrollton, Montgomery County, Ohio		2495 Technical Drive, Miamisburg, Montgomery County, Ohio	
Sale Price:	N/A	\$1,100,000		\$685,000		\$723,000		\$1,000,000	
Building Size /SF:	10,980	15,231		7,980		10,186		10,534	
Selling Price PSF of GBA:	N/A	\$72.22		\$85.84		\$70.98		\$94.93	
Date of Sale:	N/A	6/3/2025		11/6/2024		5/20/2024		3/26/2024	
Property Rights Conveyed:	Fee Simple	Fee Simple		Fee Simple		Fee Simple		Fee Simple	
Financing Terms:	Conventional	Conventional		Conventional		Conventional		Conventional	
Conditions of Sale:	Arms Length	Arms Length		Arms Length		Arms Length		Arms Length	
Use:	Office/Commercial Service	Office/Warehouse		Office/Warehouse		Office/Warehouse		Office/Warehouse	
Year Built/Condition:	2005/Good	2003/Good		1965/Average+		2001/Good		1998/Good	
Land-to-Building Ratio:	17.23:1	3.86:1		8.90:1		4.37:1		8.56:1	
Office Finish %:	17%	20%		30%		15%		36%	
Overhead doors	4 Drive in	3-dock & 2 Drive in		3 - Drive in		Exterior dockwell		2- Drive in%	
Clear Height	19'-20' ceiling height	24' Ceiling Height		12'-14' Ceiling Height		18' Ceiling Height		18' Ceiling Height & 100% HVAC	
Adjustments									
Unadjusted Unit Price:	N/A	\$72.22		\$85.84		\$70.98		\$94.93	
Property Rights:	Fee Simple	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Financing:	Conventional	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Conditions of Sale:	Arms Length	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Buyer Expenditures:	None	Similar	0%	Similar	0%	Similar	0%	Similar	0%
Market Conditions:	13-Aug-25	Similar	0%	Inferior	5%	Inferior	5%	Inferior	5%
Adjusted Unit Price:		\$72.22		\$90.13		\$74.53		\$99.68	
Location:	Huber Heights	Inferior	8%	Superior	-8%	Superior	-4%	Superior	-10%
GBA Size /SF:	10,980	Similar	0%	Superior	-5%	Similar	0%	Similar	0%
Effective Age and Condition	2005/Good	Similar	0%	Inferior	5%	Similar	0%	Superior	-7%
Office Finish %:	17%	Similar	0%	Superior	-5%	Similar	0%	Superior	-5%
Land-to-Building Ratio	17.23:1	Inferior	10%	Inferior	6%	Inferior	10%	Inferior	6%
Overhead Doors	4 Drive in	Superior	-3%	Similar	0%	Inferior	5%	Inferior	3%
Clear Height	19'-20' ceiling height	Superior	-3%	Inferior	5%	Similar	0%	Similar	0%
Total Adjustments:	N/A	12%		-2%		11%		-13%	
Adjusted Unit Price:	N/A	\$80.89		\$88.33		\$82.73		\$86.72	

The selling price per square foot of gross building area will be used. The selling price per square foot of gross building area is a physical unit of comparison. This unit of comparison is heavily influenced with physical characteristics such as location, quality of improvements, building size, land-to-building ratio, and overall effective age and condition of improvements. This helps explain the wide range in selling price per square foot observed within this sample. Following are some of the adjustment comments.

Property Rights Conveyed

The fee simple interest of the subject is being appraised. All four sales had the fee simple interest transfer making no adjustments necessary for their property rights conveyed.



Financing Adjustment

All four sales were sold on the basis of cash or its equivalent to the sellers. Therefore, no financing adjustment is required to these sales.

Conditions of Sale

A conditions of sale adjustment is generally tied to buyer or seller motivation. Conditions of sale adjustments are generally tied to elements involving 1031 Exchanges, assemblages, reinvestment proceeds, sales between related parties, or financial problems. All the comparable sales were listed on the open market and represent arms-length transactions. No conditions of sale adjustments are warranted.

Buyer Expenditures

This adjustment accounts for an amount that a buyer spent that is extraordinary or abnormal. None of the other sales required any buyer expenditures making no adjustment necessary to these sales.

Market Conditions

A market conditions adjustment is an adjustment related to change in market conditions, not to the simple passage of time. These can be linear, irregular, or stepped, or they can increase or decrease on a compounded basis. The industrial market has been strong over the last three years. Sale 1 transferred under similar market conditions making no adjustment necessary. Sale 2 transferred under inferior market conditions making an upward adjustment necessary. Sale 3 transferred under inferior market conditions making an upward adjustment necessary. Sale 4 transferred under inferior market conditions making an upward adjustment necessary.

Location

The location of an industrial property can have a significant impact on the performance of the occupying business. A good location has good highway access and linkages. The subject property has direct access to I-70 approximately seven miles east of I-75. Until it opens it is unknown what impact the new Buc-ee's travel center will have on the traffic flow on subjects State Route 235 /I-70 interchange accessibility. These large high volume gas stations/convenience store chains average over \$1.6 million dollars in daily revenue and have been known to create traffic congestion problems at the interchanges. Sale 1 has an inferior location making an upward adjustment necessary. Sale 2 has a superior location making a downward adjustment necessary. Sale 3 has a superior location making a downward adjustment necessary. Sale 4 has a superior location in a stronger higher demand industrial district making a downward adjustment necessary. In general, the South Dayton Industrial Market is considered a superior industrial submarket than the subject's submarket, everything else being equal.

Building Size

This adjustment is based on the indication that larger-scope projects generally cost less per square foot to build due to quantity discounts and the theory of diminishing returns. Also, as the size of a building increases, the number of market participants decreases, thus eliminating the active number of market participants. In terms of overall economic building size, Sale 1 is similar to the subject, making no adjustment necessary. The smaller size of Sale 2 is superior to the subject making a downward adjustment necessary. Sale 3 is similar to the subject making no adjustment necessary. Sale 4 is similar to the subject, making no adjustment necessary.



Age and Condition

The subject property was constructed in 2005 was in above average to good condition on the date of the site visit. In terms of effective age and condition, Sale 1 is similar to the subject making no adjustment necessary. Sale 2 is inferior to the subject, making an upward adjustment necessary. Sale 3 is similar to the subject making no adjustment necessary. Sale 4 is superior to the subject in terms of condition and building design, making a downward adjustment necessary.

Land-to-Building Ratios

There are numerous factors that calculate into land-to-building ratios, which include site configuration, topography, and zoning restrictions such as setback requirements. The subject has a gross land area of 4.343 acres. However approximately 1.4 acres in the rear is wooded and 0.40 acres in the southeast corner is a water retention area. Both of these factors reduce the subject's as is usable land to building ratio. Land-to-building ratios are important in industrial and commercial service applications due to the fact that low land-to-building ratios limit on-site parking, truck maneuverability, yard storage and possible future expansion which are much desired features in the subject's size range. The subject property has a current usable land to building ratio estimated in the 13.0:1 range. All four comparable Sales are inferior to the subject, making varying degrees of upward adjustment necessary.

Office Percentage

Office-type buildout costs more to construct and commands higher rental rates than warehouse space. As such, it stands to reason those industrial properties with a higher level of buildout would sell for a higher unit price per square foot, everything else being equal. For office space to create value, the high levels of office have to be a requirement of the buyer. If it exceeds the buyers needed amount of office space it actually creates a reduction in value as they must incur the cost to remove it. Sale 1 is similar to the subject making no adjustment necessary. Sale 2 is superior to the subject, making a downward adjustment necessary. Sale 3 is similar to the subject making no adjustment necessary. Sale 4 is superior to the subject, making a downward adjustment necessary.

Physical Characteristics

This adjustment accounts for the fact adequate ceiling heights and number of overhead doors increase the functional utility of a building by allowing for more storage and superior ingress/egress. The subject property has clear span ceiling height of 19'-20'. In terms of clear height Sale 1 is superior, requiring a downward adjustment and Sale is 2 inferior and Sales 3 and 4 are similar. In terms of overhead doors, Sale 1 is superior, requiring a downward adjustment. Sale 2 is similar to the subject making no adjustment necessary. Sale 3 is inferior to the subject, making an upward adjustment necessary. Sale 4 is inferior to the subject, making an upward adjustment necessary.

Summary and Conclusion

The four comparable sales reflect an adjusted range on a selling price per square foot from a low of \$80.89 per square foot to a high of \$88.33 per square foot. As relates to the subject Sale 3 has the most similar location. Comparable Sales 3 and 4 have the most similar building size and clear span ceiling height. All four comparable sales have inferior land to building ratios. In terms of market conditions, Sale 1 is most similar. Sale 2 has the most similar level and quality of office buildout. Based on the comparable sales and the



adjustments, the market value of the subject is estimated at \$85.00 SF. Using a ranking analysis, the subject's market value is expected to fall towards the middle of the range based on the comparable sales. Using a ranking analysis, the subject is expected to fall below that of Comparable Sales 2 and 4 and above that of Comparable Sale 3 and near that of Sale 4. Following is a ranking analysis.

Sale 2 -	\$88.33 /SF	7,980 SF building	
Sale 4 -	\$86.72 /SF	10,534 SF building	←
Sale 3 -	\$82.73 /SF	10,186 SF building	
Sale 1 -	\$80.89 /SF	15,231 SF building	

Subject's Estimated as Is Market Value

The value estimate for the subject is calculated as follows.

$$10,980 \text{ square feet} \times \$85.00/\text{SF} = \$933,300 \text{ rounded to } \$930,000$$

The as is fee simple market value of \$930,000 as of August 13, 2025, is indicated by the sales comparison approach.



INCOME APPROACH

Introduction

To estimate the fee simple market value of the subject property in the income approach, the overall capitalization method form of yield capitalization is being used. The overall capitalization rate method is simply the net operating income divided by an overall capitalization rate. The gross income, vacancy factor, and operating expenses are stabilized to represent a typical year of net operating income (NOI) based on the market data versus an NOI reflecting a peak or valley period. The overall capitalization rate is derived directly from the market data reflecting recent sales and investment type real estate. The procedures to develop an income estimate involve the following major steps:

- Estimate the gross potential income (PGI) that can be received from the property.
- Deduct the estimated vacancy and collection loss from the PGI to estimate the effective gross income (EGI).
- Subtract all owner expenses from the EGI estimate, which results in a net operating income (NOI).
- Capitalize the NOI to a value estimate using a market derived overall capitalization rate.

Historical Income and Expenses:

The subject property is owner occupied, no historical income and expense statements were available.

Projected Market Rent:

To analyze the subject property by the income approach, it is necessary to project the potential gross rental income to be generated by the subject property. To determine a market level rental rate for the subject, rental data was reviewed from single tenant office/ warehouse/light industrial properties in the general area. The comparable rental projects cited are considered to be similar to the subject in terms of age and condition of improvements, location, and size and type of space. The following are some of the most relevant office/warehouse lease comparables in the subject's competing market area.



COMPARABLE RENTAL NO. 1

Location: 3541 Stop Eight Road, Vandalia, Montgomery County, Ohio

Rental Size: 8,230 SF

Year Built: 1995

Lease Terms: 3 years commencing December 1, 2022

Lessee: Ten Days Manufacturing

Rental Rate: \$8.95/SF NNN increasing 2.0% annually

Comments: This is the lease of an office/warehouse building with 34% office space. The building is pre-engineered metal and fully heated and air conditioned, with one drive in door and 12' clear span ceiling height.



COMPARABLE RENTAL 2

Location: 6344 Webster Street, Dayton, Montgomery County, Ohio

Tenant Size: 15,240 square feet

Year Built: 1968 Renovated in 2020 and 2024

Lease Terms: NNN

Lessee: Thomas & Galbraith Heating & Cooling

Rental Rate: \$6.25 per square foot

Comments: This is the lease of a free standing 15,240 square foot single tenant office warehouse. The lease commenced April 1, 2024 for a five-year term. The rent starts at \$6.25/SF with 3% annual increase. This space has 25% of office finish, 12'-14' warehouse ceiling heights, LED lighting, two drive in doors (10'x10' and 16'x12') and one dock height door (12'x10') with leveler. The warehouse was partially air conditioned, which was not a requirement of the tenant. The landlord provided \$75,000 in tenant improvement allowance to install a security fenced lot with power gate. The lease terms is triple net with the landlord responsible for roof and structure.



COMPARABLE RENTAL NO. 3

Location:	2850 Needmore Road, Harrison Township, Montgomery County, Ohio
Lessee (Tenant):	Millcraft Paper
Leased Premises:	This building was renovated for the tenant and consisted of 28,373 square feet, of which 15% is office space. The ceiling height 14 to 16 feet. Renovations included new HVAC, warehouse heat, interior and exterior paint, polished concrete floors, new dock and drive-in equipment and new lighting. This was built in 1958 and renovated in 2021/2022.
Term:	7 years, commencing April 2022
Rent Schedule:	\$7.00/SF, triple net
Tenant Responsibilities:	This is a triple net lease with the tenant responsible for expenses, including taxes, insurance and repairs and maintenance.



COMPARABLE RENTAL NO. 4

Location: 10522 Success Lane, Washington Township, Montgomery County, Ohio

Rental Size: 13,800 SF

Year Built: 1992

Lease Terms: 5-years commencing April 2022

Lessor: DCWI Success Lane, LLC

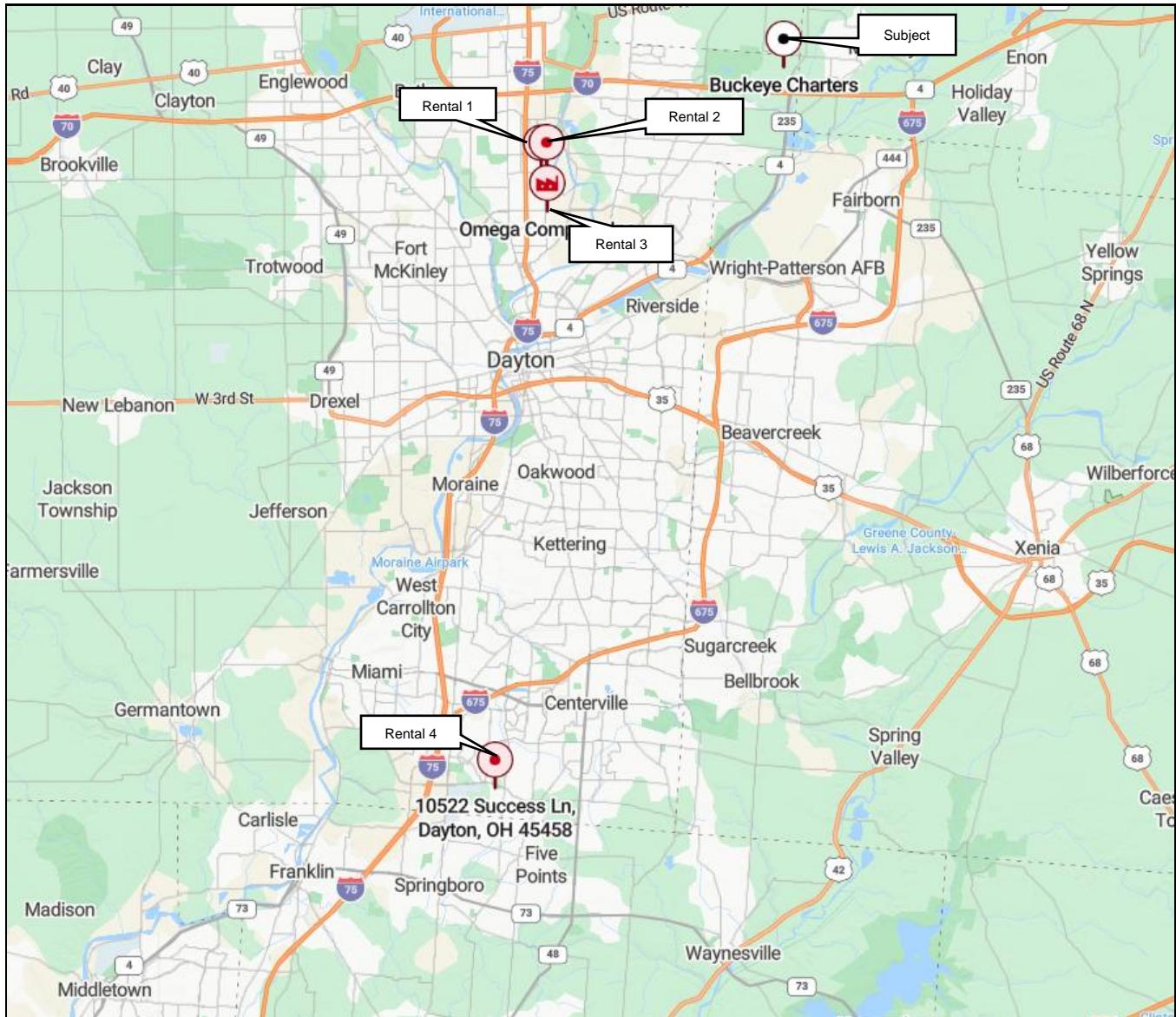
Lessee: FAS Outdoors

Rental Rate: \$10.26//SF modified gross; or \$8.86/SF NNN increasing 2% annually

Comments: This is the lease of an office/warehouse building that was renovated to a showroom/office and indoor archery range. The showroom/office spaces is approximately 20%. The ceiling height is 14'. This building has one dock height and one drive-in door.



Comparable Rental Location Map





Summary of Rents

COMPARABLE RENTALS					
ADDRESS	SIZE OF SPACE	LEASE RATE	LEASE TYPE	LEASE START	COMMENTS
Comparable Rental 1 3541 Stop Eight Road, Vandalia, Montgomery County, Ohio	8,230 SF	\$8.95/SF	3-Years Triple Net	12/01/2022	This is the lease of an office/warehouse building with 34% office space. The building is pre-engineered metal and is fully heated and air conditioned, with one drive in door and 12' clear span ceiling height.
Comparable Rental 2 6344 Webster Street, Dayton, Montgomery County, Ohio	15,240 SF	\$6.25/SF	5-Years Triple net	04/01/2024	This is the lease of a free standing 15,240 square feet single tenant building. The lease commenced on April 1, 2024 for a five year term. The rent starts at \$6.25/SF with 3% annual increase. This space has 25% of office finish, 12'-14" warehouse ceiling heights, one dock height and two drive in doors. The Landlord installed fenced storage yard with power gate at a cost of \$75,000.
Comparable Rental 3 2850 Needmore Road, Harrison Township, Montgomery County, Ohio	28,373 SF	\$7.00/SF	7-Years Triple Net	04/01/2022	This building was renovated for the tenant and consisted of 28,373 square feet, of which 15% is office space. The ceiling height 14 to 16 feet. Renovations included new HVAC, warehouse heat, interior and exterior paint, polished concrete floors, new dock and drive-in equipment and new lighting. This was built in 1958 and renovated in 2021/2022.
Comparable Rental 4 10522 Success Lane, Washington Township, Montgomery County, Ohio	13,800 SF	\$8.86/SF	5-Years Adjusted to Triple Net	04/01/2022	This is the lease of an office/warehouse building that was renovated to a showroom/office and indoor archery range. The showroom/office spaces is approximately 20%. The ceiling height is 14'. This has one dock and one drive-in door.

Rental Analysis

The foregoing four rentals are being utilized to establish a market rental rate for the subject facility. All of the comparable rentals were leased on a triple net basis. Following is a summary of the rental analysis.

Comparable Rental 1 had its lease commence under inferior market conditions making an upward adjustment necessary. The location of the comparable rental is superior to the subject, making a downward adjustment necessary for location. The size of the space rates as similar to the subject, making no adjustment necessary. The improvements were in good condition at the time of lease. The effective age and condition of this rental is similar to the subject, making no adjustment necessary. This is a single-tenant property making no adjustment necessary compared to the subjects' single-tenant occupancy. The amount of office finish is superior to the subject making a downward adjustment necessary. The warehouse clear height is inferior to the subject, making an upward adjustment necessary. This building is fully heated and air conditioned which is superior making a downward adjustment necessary. The land to building ratio is inferior to the subject. Overall, this rental is superior to the subject primarily based on location.



Comparable Rental 2 had its lease commence under similar market conditions making no adjustment necessary. The location of the comparable rental is superior to the subject, making a downward adjustment necessary for location. The size of the space rates as similar to the subject, making no adjustment necessary. The effective age and condition of this rental building improvements is inferior to the subject, making an upward adjustment necessary. This is a single-tenant building similar to the subject. The amount of office finish is similar to the subject making no adjustment necessary. The warehouse clear height and land to building ratio is far inferior to the subject, requiring an upward adjustment. Overall, this rental is inferior to the subject.

Comparable Rental 3 had its lease commence under inferior market conditions making an upward adjustment necessary. The location of the comparable rental is superior to the subject, making a downward adjustment necessary for location. The larger size of the space rates as inferior to the subject making an upward adjustment necessary. The improvements were in good condition at the time of lease. The effective age and condition of this rental is similar to the subject, making no adjustment necessary. This is a single-tenant property making no adjustment necessary compared to the subjects' single-tenant occupancy. The amount of office finish is similar to the subject making no adjustment necessary. The warehouse clear height and land to building is inferior to the subject making an upward adjustment necessary. Overall, this rental is inferior to the subject.

Comparable Rental 4 had its lease commence under inferior market conditions making an upward adjustment necessary. The location of the comparable rental is superior to the subject, making a downward adjustment necessary for location. The size of the space rates as similar to the subject, making no adjustment necessary. The improvements were in above average condition at the time of lease. The effective age and condition of this rental is similar to the subject making no adjustment necessary. This is a single-tenant property making no adjustment necessary compared to the subjects' single-tenant occupancy. The amount of office finish is modestly superior to the subject, making a downward adjustment necessary. The warehouse clear height and land to building ratio is inferior to the subject making an upward adjustment necessary. This rental was adjusted to net basis similar to the subject. Overall, this rental is superior to the subject based on its superior location.

Calculation of Gross Potential Income

The foregoing four rentals reflect a rental range for the subject from a low of \$6.25 per square foot to a high of \$8.95 per square foot. Rentals 1 and 4 are superior to the subject based on their net superior adjustments. Rentals 2 and 3 are inferior to the subject based on their net inferior adjustments. Based on the above leases, a market level rental rate of \$8.00 per square foot NNN was adopted. A lease term of 5-years would typically be applicable for a property like the subject..

$$\text{Building SF } 10,980 \times \$8.00 / \text{SF} = \$87,840$$

The gross potential rental income for the subject is \$87,840 .

Vacancy and Rent Loss

Typical leases for the subject property type range around five years. The 2nd quarter 2025 Colliers Industrial Market report below indicated an overall vacancy rate of 4.2 % for all industrial space in the North submarket which is down from 5.4% from the previous quarter. The subject property would fall in the Light Industrial space classification which has a vacancy rate of 2.0%. The subject is more of a commercial service building with a high to building ratio as opposed to a straight office warehouse that has more potential users. For this reason, the subject should fall above the average vacancy in the market. Based on the typical term and marketing time, an average vacancy and credit loss rate for the subject property is estimated in the 5.0% range.



Q2 DAYTON INDUSTRIAL

Submarket/ Class	Total Inventory SF	Direct Availability Rate	Sublease Availability Rate	Availability Rate	Vacancy Rate	Vacancy Rate Previous	Net Absorption Current	Net Absorption YTD	Under Construction	Deliveries YTD	Avg Direct Asking Rate
North											
Bulk Warehouse	14,429,395	5.6%	0.0%	5.6%	5.6%	8.0%	349,440	524,160	-	-	\$6.05
Warehouse + Distribution	1,604,675	0.6%	0.0%	0.6%	0.6%	0.6%	-	-	-	-	\$4.00
Manufacturing	1,779,908	0.0%	0.0%	0.0%	0.0%	0.0%	-	-	-	-	-
Flex/R&D	828,599	7.6%	0.0%	7.6%	7.3%	5.3%	(16,675)	(22,835)	-	-	\$7.30
Light Industrial	5,506,052	2.4%	0.3%	2.6%	2.6%	1.9%	(30,825)	(44,825)	-	-	\$6.33
TOTAL	24,148,629	4.2%	0.1%	4.2%	4.2%	5.4%	301,940	456,500	-	-	\$6.06

Discussion of Operating Expenses

The subject property is a single tenant facility, and as discussed, is leased on a triple net basis. The tenant or lessee is responsible for the payment of all utilities, real estate taxes, insurance as well as general maintenance and repair. The landlord or lessor would be responsible for expenses that occur as a result of ownership, legal and accounting and reserves replacement/ structural maintenance. Since properties like the subject are generally managed by the owner no management fee will be deducted. Following is a discussion of the lessor's components and operation of this type of facility.

Legal and Accounting

It is recognized that the owner will initially incur legal expenses due to the review of leases, lending requirements, title work, etc. Also, it is recognized the owner will have some expenses associated with the filing of tax returns and bookkeeping for the subject property on an annual basis. Due to the small size of the subject facility and taking into consideration that it would be leased more than likely to a single tenant, we have adopted legal and administration fees on a stabilized basis of \$1,200 per year.

Reserves for Replacements / Structural Maintenance

As previously stated, the landlord would be responsible for the structural soundness of the building, which includes such items as exterior walls, roofs, concrete slabs, etc. The replacement is of short-lived items such as roof coverings, mechanical systems and parking lot surfaces. Based on discussion with investors of these types of facilities, replacement reserves generally range from \$0.25 to \$0.40 per square foot. Considering the subject's design, type, quality of construction, and type of space and amount of paved area, a reserve of \$0.35 per square foot of gross building area is considered applicable.



Stabilized Income and Expense Statement

Potential Gross Income (PGI)			
10,980 SF	X \$8.00		\$87,840
Total Gross Potential Income			\$87,840
Less: Vacancy and Rent Loss 5.00%			(\$4,392)
Effective Gross Income			\$83,448
Less: Expenses			
Legal & Accounting		\$1,200	
Replacement Allowance	\$0.35	3,843	
Total Operating Expenses			(\$5,043)
Net Operating Income			\$78,405

Discussion of Overall Rate

An overall capitalization rate is an income rate for a total property that reflects the relationship between a single year's net operating income expectancy and the total property price or value; it is used to convert net operating income into an indication of overall property value².

An appropriate overall capitalization rate is typically adopted from relevant market data and if that is unavailable or non-existent, then a debt coverage formula or mortgage equity analyses would be appropriate. The best indication of overall rates is from other comparable sales purchased in a similar market under similar market conditions. In the market, overall capitalization rates for all types of real estate generally fall in the range of 5% to 11%. The lower end of the range is typical for newer apartment, office, and retail projects appealing to a national investor; and the higher end of the range is generally reserved for smaller-type investment properties with higher-risk tenants that appeal on a submarket basis.

	Sale 1	Sale 2	Sale 3	Sale 4
Address:	6163 Allen Road, West Chester, Butler County, Ohio	6000 Madden Way, Harrison, Hamilton County, Ohio	9081 LeSaint Drive, West Chester, Butler County, Ohio	100 Westheimer Drive, Monroe, Butler County, Ohio
Sale Date:	June 2024	September 2023	July 2024	July 2023
Sale Price:	\$7,940,000	\$3,350,000	\$2,400,000	\$2,900,000
Year Built:	1988	2022	1991	2001
Building Size:	128,000 SF	13,800 SF	28,510	36,000 SF
Overall Capitalization Rate:	7.52%	8.96%	8.75%	7.45%

Comparable Sale 1 is located at 6163 Allen Road, in West Chester Township, Butler County, Ohio. This property is located in the Tri-County Industrial submarket with good access to I-75. The building improvements consist of

² The Appraisal Institute, *The Appraisal of Real Estate*, 15th Edition, (Chicago: The Appraisal Institute), 2020.



a 128,000 SF industrial building that was constructed in 1988 on a 14.28-acre site. The building was leased to a local credit tenant, the Dee Sign Company. At the time of the sale there were 7 years remaining on an absolute triple net lease with 2% annual rent increases.

Sale 2 is the leased fee sale of a single tenant 13,800 SF office/ Industrial shop constructed in 2022 on a 4.27-acre site. This property sold in September 2023 for \$3,350,000. At the time of sale, this property was leased long term to a regional credit tenant at what the buyer felt was above market rent. At the time of the sale there were 9.5 years remaining on the lease with no annual escalations. Due to the inferior location and superior age/condition of improvements of this comparable sale offset by a flat rate long term above market lease rate, we would expect the overall rate for the subject to below that reflected by Comparable Sale 2.

Comparable Sale 3 is located at 9081 LeSaint Drive, in West Chester Township, Butler County, Ohio. This property is located in the Tri-County Industrial submarket with adequate access to I-75. The building improvements consist of a 28,510 SF industrial building that was constructed in 1991 on a 3.12-acre site. The building was leased to a local credit tenant, the Qualiturn Company. At the time of the sale there were 5 years remaining on the triple net lease with 3% annual rent increases.

Sale 4 is the sale of a single-tenant, 36,000-square-foot office/light industrial building located on Westheimer Drive in the City of Monroe in Butler County. The property was constructed in 2001 on a 2.80-acre site and leased for a five-year term commencing in July 2023. The tenant is MD Metal Source. This was leased for \$6.00/SF NNN. The selling broker indicated they had multiple offers around 8.00% cap rate. The buyer was below the range of the other cap rate offers as this was a 1031 exchange. In conclusion, we would expect the overall rate for the subject to fall above that reflected by Comparable Sale 4.

In addition to the comparable sales shown above, we also reference the *RealtyRates.com Survey* as follows.

RealtyRates.com INVESTOR SURVEY - 2nd Quarter 2025*						
INDUSTRIAL - ALL TYPES						
Item	Input				OAR	
Minimum						
Spread Over 10-Year Treasury	1.05%	DCR Technique	1.10	0.060672	0.87	5.81
Debt Coverage Ratio	1.10	Band of Investment Technique				
Interest Rate	5.35%	Mortgage	87%	0.060672	0.052785	
Amortization	40	Equity	13%	0.067200	0.008736	
Mortgage Constant	0.060672	OAR				6.15
Loan-to-Value Ratio	87%	Surveyed Rates				5.78
Equity Dividend Rate	6.72%					
Maximum						
Spread Over 10-Year Treasury	5.80%	DCR Technique	2.05	0.129688	0.50	13.29
Debt Coverage Ratio	2.05	Band of Investment Technique				
Interest Rate	10.10%	Mortgage	50%	0.129688	0.064844	
Amortization	15	Equity	50%	0.150900	0.075450	
Mortgage Constant	0.129688	OAR				14.03
Loan-to-Value Ratio	50%	Surveyed Rates				13.19
Equity Dividend Rate	15.09%					
Average						
Spread Over 10-Year Treasury	3.41%	DCR Technique	1.44	0.090616	0.70	9.10
Debt Coverage Ratio	1.44	Band of Investment Technique				
Interest Rate	7.71%	Mortgage	70%	0.090616	0.063211	
Amortization	25	Equity	30%	0.113235	0.034246	
Mortgage Constant	0.090616	OAR				9.75
Loan-to-Value Ratio	69.8%	Surveyed Rates				9.47
Equity Dividend Rate	11.32%					

*1st Quarter 2025 Data

Copyright 2025 RealtyRates.com™



In reconciling an overall capitalization rate used to convert the net operating income into an indication of value, the comparable market sales are considered to be relatively representative of the subject property to provide a good indication of the overall capitalization rate. Additional support is from the **RealtyRates.com Survey**, which indicates capitalization rates for Industrial -All Types ranging from a low of 5.78% to a high of 13.19% with an average of 9.47%. Taking into consideration all of the above, in our opinion, we feel that a capitalization rate would fall towards the higher of the range at 8.75%. This reflects the subject's location, building size, age and condition, high land to building ratio and market conditions.

Income Approach Conclusion

Applying the 8.75% overall capitalization rate to the subject's net operating income of \$78,405 results in a fee simple market value for the subject property as follows:

$$\frac{\$78,405 \text{ Net Operating Income}}{8.75\% \text{ Capitalization Rate}} = \$896,057 \text{ or } \$900,000 \text{ Rounded}$$

The fee simple market value as of August 13, 2025 indicated by the Income Approach for the subject is \$900,000.



RECONCILIATION

The sales comparison approach and income applicable to value were applied to reconcile a final value.

Cost Approach: N/A

Sales Comparison Approach: As Is Market Value of the Fee Simple Estate as of August 13, 2025 is: \$930,000

Income Approach: As Is Market Value of the Fee Simple Estate as of August 13, 2025 is: \$900,000

Cost Approach

As previously stated, the cost approach is not considered applicable and was not detailed.

Sales Comparison Approach

In the sales comparison approach, four sales of similar properties were outlined. Ultimately, a unit of comparison of \$85.00 per square foot of gross building area was adopted for the subject property which takes into consideration the subject's high land to building ratio due to surplus land. The value concluded in the sales comparison approach was \$930,000 and reflects the as is market value of the fee simple estate of the subject property as of August 13, 2025.

Income Approach

The income approach was developed since properties like the subject are sometimes purchased and leased for investment reasons. The fee simple market value as of August 13, 2025 indicated by the Income Approach for the subject is \$900,000

FINAL VALUE

In conclusion, the most weight is being given to the sales comparison approach to value due to good market data and fact small freestanding industrial buildings with high land to building ratios are typically owner occupied. Typically, the actions and motivations of the owner-user segment of the industrial market are best reflected by the sales comparison approach. As the previous rentals discussed indicate, there is demand in the subject property market for free-standing single-tenant facilities which can command strong rental rates. As such, the income approach serves to support the sales comparison approach. Based upon the above analysis, the as is fee simple market value of the subject property as of August 13, 2025, being adopted is \$930,000.

For the subject property, the adopted market value is as follows:

As Is Market Value of the Fee Simple Estate
as of August 13, 2025 is: \$930,000

As is Fee Simple Insurable Value as of
August 13, 2025 : \$1,200,000



INSURABLE VALUE

Insurable value is defined by the Dictionary of Real Estate Appraisal, as:

- 1) The value of an asset or asset group that is covered by an insurance policy; can be estimated by deducting costs of non-insurable items (e.g., land value) from market value.
- 2) Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction costs plus allowances for debris removal or demolition less deterioration and non-insurable items. Sometimes cash value or market value, but often entirely a cost concept. (Marshall & Swift LP). Following is our calculation of the insurable value.

Insurable Value:	
Class S Industrial Building Service Garage	
10,980 SF GBA x \$110.28 SF	\$1,210,874
Plus Demolition: (4.3%)	\$52,068
Less: Cost of Foundation Below Grade : (4.8%)	\$58,122
Insurable Value:	\$1,204,820
Rounded:	\$1,200,000

The insurable value as of August 13, 2025, is \$1,200,000.



MARKETING/EXPOSURE TIME

It has been requested through USPAP in a statement on Appraisal Standards No. 6 (SMT-6) and through Advisory Opinion (G-7) that reasonable exposure time and marketing time estimates be discussed in appraisal reports. The Appraisal Standards Board (ASB) defines exposure time or marketing period as follows:

The estimated length of time of the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based upon an analysis of past events assuming a competitive and open market.³

The ASB defines reasonable marketing period, or perspective marketing period, as follows:

The reasonable marketing time is an estimate of the amount of time it might take to sell a property interest in real estate at the estimated market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

In estimating the exposure time, or the marketing period, it is recognized that this period is a function of price, time and use, and is not an isolated estimate of time alone. The marketing time estimate, or retrospective marketing period, also takes considers these items. Both time periods refer to the process of selling real estate which would vary depending upon the type of real estate it is as well as the exposure price which is being asked.

For estimating a reasonable exposure time and a reasonable marketing time for the subject property various sources were considered which includes information collected while gathering information thorough the sales verification process from the comparable sales used, interviews of market participants, and firsthand knowledge of sales occurring that have been appraised by Beck Consulting and subsequently sold.

For estimating a reasonable exposure time the market information gathered during the appraisal process indicated that an exposure time of approximately 6 months would be necessary for a final consummation of sale of the subject. This takes into consideration that approximately one month to two months would be needed in order to notify all possible market participants that the subject property would be for sale after which there would be negotiations and a contract which would probably take another three to four months, and then due diligence would need to be performed by the buyer as well as financing lined up which could take anywhere from two month to three months depending upon the particular market and the financing being sought. This process and time frame is supported by several of the sales which sold within one year from the time it was exposed on the market. These are historic sales and support the retrospective exposure time being estimated. This does assume a reasonable asking price presented of approximately 10% above the market value derived herein.

For estimating the prospective marketing time, the same information which was considered for estimating the above exposed time was taken into consideration. Further it is thought that the market conditions which exist in the last 12 months in the market will exist for the next 6 to 12 months; thus, 6 month or less prospective marketing time is appropriate. Again, this takes into consideration historic information received from all four sales in the Sales Comparison Approach which sold within one year from being listed on the open market for sale. This does assume a reasonable asking price to be presented of 10% above the market value derived herein.

³Appraisal Standards Board, "Memorandum (Statement #6)" (Washington, D.C., ASB of the Appraisal Foundation, October 15, 1992).



BECK CONSULTING, INC.

PART V. ADDENDA

- Engagement Letter
- Appraiser Qualifications
- Appraiser Licenses
- Disclosure Statement



BECK CONSULTING, INC

ENGAGEMENT LETTER



COMMERCIAL AWARD CONFIRMATION - FIFTH THIRD BANK, NATIONAL ASSOCIATION

File # / Project #: 247025 / 2507-40065-001

I. Award Information

Date Awarded: 07/31/2025 Delivery Date: 08/18/2025
Vendor Name: James Burt, Beck Consulting, Inc.
Signatory Information: James Burt
Fee: \$2,300
Property Contact: Elliott Culp, Property Contact, (336) 665-8154, eculp@cogentanalytics.com

This communication shall serve as authorization from Fifth Third Bank, National Association to commence work on the referenced appraisal report.

II. Assignment Information

Purpose of Request: New Loan to 5/3 – Owner Occupied Property RFP Contact: Eric Schwonek
Desired Delivery Date: 08/18/2025 Contact Phone: (513) 358-8033
Addressees: Eric Schwonek, Fifth Third Bank, National Association, 5001 Kingsley Dr, Cincinnati, OH 45202
Distribution: Electronic copy delivered to Eric Schwonek thru Fifth Third Bank, National Association's Appraisal Ordering and Tracking System.
Scope of Services:
Intended Use: Intended use of this appraisal is for loan underwriting and/or credit decisions by Fifth Third Bank, National Association.
Intended User: Fifth Third Bank, National Association and/or Affiliates
SBA Involvement: No
Involvement Type:
Local Lending Partner:
Lending Partner Address:
Syndication Participation: No
Inspection Requirements: Full Inspection
Approaches to Value: All Applicable Approaches
Market Analysis Level: Level B
Request Type: Commercial Appraisal Report
Report Format: AR - Appraisal Report

Valuation Scenarios:

Valuation Premise	Property Interest	Comments
Market Value - As Is	Fee Simple	
Insurable Value		

Scope of Response Deadline: before 2PM Eastern 07/31/2025.

Work:

Please note that the PDF file you provide is expected to be a complete appraisal report with signatures, color photographs, maps, adjustment grids, etc.

Consideration of any ESG/sustainability characteristics with possible impact on value in respect of the local jurisdiction and as reflected by market participants, categorized as:

- I. Physical Risks
- II. Transitional Risk (Local Policy/Legislation).

Please include a SWOT analysis in the report.

Hard copies of appraisal reports ordered by RERG are no longer required. Upon completion of a commercial appraisal



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assignment for Fifth Third Bank, you may simply upload a PDF copy of the appraisal report and your invoice for services rendered into our YouConnect system. Please note that the PDF file you provide is expected to be a complete appraisal report with signatures, color photographs, maps, adjustment grids, etc.

In addition, the 5/3 disclaimer (in red font and similar format) must be placed on the 1st page of the pdf of the appraisal (usually the cover page).

If value includes anything other than real estate, the values need to be allocated. FIFTH THIRD BANK REQUIRES ALLOCATIONS FOR FF&E, BUSINESS ENTERPRISE VALUE (IF PRESENT) AND REAL ESTATE/REAL PROPERTY IN GOING CONCERN APPRAISALS. WE ALSO REQUIRE ALLOCATIONS FOR REAL ESTATE AND FF&E IN ALL APARTMENT APPRAISALS AND ANY OTHER PROPERTIES IN WHICH FF&E IS PRESENT.

The person signing the report should be the person the RFP is addressed to. However, if it will be signed by another person at the firm, they must be on our approved appraiser list and identified in the bid. All reports must be signed by at least one appraiser on our approved appraiser list.

Scope of Work: Appraiser to determine appropriate scope of work to provide credible appraisal. When possible, physical measurement of the exterior of all subject improvements is required. The dimensions and resulting building area(s) should appear in the Description of Improvements Section of the appraisal report. If blueprints or assessor's records are relied on, several exterior dimensions must be hand measured and verified as being accurate. Copies of referenced documents must be included in the appraisal. The Scope of Work section can include who made the measurements and if some or all of the exterior sides were measured.

Verification of Sales: Reiterating our Real Estate Appraisers Handbook, Section Sections 471, 480, and 482. Most of the comparable data should be confirmed with a party to the transaction (public records, assessor, and/or CoStar Comparables are sources and are not sufficient verification). If substantial effort does not result in verification with a party to the transaction, your efforts should be disclosed.

If the property being appraised has outstanding or delinquent real estate taxes, please indicate the balance amount and the tax years in question.

Insurable value is defined as follows:

1. Value used by insurance companies as the basis for insurance. Often considered to be replacement or reproduction cost plus allowances for debris removal or demolition less deterioration and non-insurable items. Sometimes cash value or market value, but often entirely a cost concept.
2. A type of value for insurance purposes. In accordance with the criteria required by Fifth Third Bank, insurable value is based on Reproduction Cost New (RCN) less non-insurable items including land value, site improvements, depreciation, entrepreneurial profit (incentive), architectural fees and below-grade foundations.

IV. Property Information

Project Name:

Property Description: The subject is a 2005 built 10,980SF light industrial/warehouse building on a 4.343-acre parcel.

Property Type: Industrial, Warehouse-Distribution Warehouse

Address: 8240 Expansion Way Dayton, Huber Heights, Ohio, 45424

County: montgomery

Parcel Number(s): P70 01218 0011

Legal Description: LOT#11 CENTER POINT 70-II SUBD 4 ABATEMENT PENDING

Land Size: 4.34 Acres

Excess Land Size:

Improvements Size (Primary): 10,980 SF

Year Built: 2005

Property Status: Existing

Ownership/Tenancy Type: Owner Occupied 100%

Occupancy %:

Multiple Building No additional buildings

Description:

Marketing Status: Not on the Market

Listing/Sale Price: /

Listing Agent/Phone: /

Sale Date:

Owner:



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Property Contact: elliot.culp, (336) 665-8154, eculp@cogentanalytics.com

**IV. General
Commercial
Appraisal
Requirements**

1. Unless specifically stated otherwise, Bank- or Borrower-provided information made available to the appraiser should be considered as confidential and not used outside the normal course of performing the assignment.
2. The bank sometimes gets incomplete or inaccurate property data on the subject. If the subject's status is different than described (say, leased versus owner-occupied), or you cannot complete a full inspection, please contact the reviewer immediately.
3. Select the download documents/attachments link in the Engagement Letter and Report Submission Form to download any documents provided for this assignment.
4. Per Section 285 of the 5/3 Real Estate Appraiser Handbook, the appraiser must contact the property contact within 5 (five) business days of the engagement to request information. If the information cannot be obtained within a reasonable amount of time it is incumbent upon the appraiser to inform the CLAG Job Manager.
5. The Fifth Third Bank, National Association reviewer must be notified within 10 business days of this award should any issues arise that might impact the timely delivery of the completed appraisal report.
6. The File number and Project number must be on the report cover page, Transmittal Letter and Invoice.
7. The Disclaimer Statement wording must be affixed to the cover page in red ink, including the header and footer for the Statement. This statement is included in the Appraiser Handbook.
8. The assignment must be completed according to instructions in the RFP. The assignment must also comply with the Master Engagement Letter; the Fifth Third Bank, National Association Real Estate Appraiser Handbook, current-year Edition; the Uniform Standards of Professional Appraisal Practice; Financial Institutions Reform, Recovery and Enforcement Act (FIRREA); and the Interagency Appraisal and Evaluation Guidelines
9. The printable VIEW AWARD and all color exhibits and photos must be included in the report, including supporting documents such as purchase contract, lease copies, etc. Complete comp write-ups must be included in the report body or Addendum.
10. The Certification must be signed by the person named in the Award.
11. Appraisers signing this report must include their appraisal license in the report. One license must be from the state in which the subject is located.
12. The Census Tract number is to be included on the Summary of Salient Facts page.
13. If you or your firm has appraised the subject within the past two years, the report should reconcile any material changes to the valuation analysis or conclusions (Fifth Third Bank, National Association Appraiser Handbook).
14. If the property being appraised has outstanding or delinquent real estate taxes, please indicate the balance due and the tax years in question.
15. When applicable (such as apartment, hotel and going concern appraisals), the final value must be allocated between realty and non-realty components. The allocation of FFE and Real Property value must be reported in the Transmittal Letter and Reconciliation.
16. If the final value includes excess land, this land value must be reported separately, wherever values are reported in the appraisal.
17. For All Proposed Construction Appraisals: An estimate of insurable value is required for all proposed construction. It is also required for proposed renovations with a prospective value upon completion greater than \$1,000,000.
18. For all Proposed Income Properties with a Future Stabilized Value: These appraisals require an un-trended income and expense pro forma to reflect the NOI as if stabilized on the date of appraisal. This can be presented at the end of the income approach. There should be NO value estimate associated with this pro forma, and the figure should NOT be stated elsewhere in the report.
19. Upload the Appraisal PDF file and a separate PDF of your payment invoice by 5 PM EST of the delivery date. Hard copies are not needed. Reports sent via email are against policy and will not be accepted.
20. If the report is received after the due date, Fifth Third Bank, National Association may elect to impose a penalty equal to 5.0% of the appraisal fee per day, or \$100 per day (whichever is less), for each calendar day beyond the scheduled due date, unless a written extension has been given by



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the bank. Such penalty will be imposed by the bank and will be directly applied to the full invoice amount.

Thank you for accepting this award and your attention to these details. Please contact me at eric.schwonek@53.com for assistance.



APPRAISER QUALIFICATIONS

QUALIFICATIONS OF JAMES W. BURT, MAI

jburt@e-beck.com

PROFESSIONAL EXPERIENCE:

July 2007 to Present—Senior Vice President, Beck Consulting, Inc.

April 1994 to June 2007—Vice President, Willingham Associates, Inc.

August 1991 to April 1994—Real Estate-Market Research/Information Systems,
Ostendorf – Morris Collier

SPECIALIZATIONS:

Prepare narrative appraisal reports and market and feasibility studies, which have included the following property types:

- Downtown and suburban office buildings
- All categories of vacant land
- Special-purpose properties
- Multi-family complexes
- Subdivision analysis/absorption
- Industrial properties
- Shopping centers

EDUCATION:

Bachelor of Business Administration, University of Cincinnati

Dual Majors: Real Estate and Finance

Various courses and exams of professional appraisal organizations

LICENSES AND CERTIFICATIONS:

Ohio State Certified General Appraiser: Certificate No. 437968

Kentucky Certified General Real Property Appraiser Certificate No. 4584

Indiana Certified General Appraiser Certificate No. CG41500001

BUSINESS & PROFESSIONAL AFFILIATIONS:

MAI designated member of the Appraisal Institute

2012-2013 – Region Five Nominating Committee Member, Ohio Chapter

2011 – Regional Representative, Appraisal Institute, Cardinal Ohio Chapter

2010 – President, Appraisal Institute, Cardinal Ohio Chapter

2009 – Vice President, Appraisal Institute, Cardinal Ohio Chapter

2008 – Secretary, Appraisal Institute, Cardinal Ohio Chapter

2004-2007—Director, Appraisal Institute, Cardinal Ohio Chapter

2002—Education Committee, Appraisal Institute, Cardinal Ohio Chapter



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APPRaiser LICENSE





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APPRAISER DISCLOSURE STATEMENT

APPRAISER DISCLOSURE STATEMENT

In compliance with Ohio Revised Code Section 4763.12 (C)

1. Name of Appraiser James W. Burt, MAI

2. Class of Certification/Licensure: Certified General
 Licensed Residential
 Temporary General Licensed
Certification/Licensure Number: 437968

3. Scope: This report is within the scope of my Certification or License.
 is not within the scope of my Certification or License.

4. Service Provided By: Disinterested & Unbiased Third Party
 Interested & Biased Third Party
 Interested Third Party on Contingent Fee Basis

5. Signature of person preparing and reporting the appraisal

This form must be included in conjunction with all appraisal assignments or specialized services performed by a state-certified or state licensed real estate appraiser.

State of Ohio
Department of Commerce
Division of Real Estate
Appraisal Section
Cleveland (216) 787-3100