Broker Market Rent Opinion

Client: Port of Pasco

3406 N. Swallow Avenue
Pasco, WA 99301,
Building #210

By:
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Tippett Company
of Washington, LLC

Effective Date:
September 28, 2026

TIPPETT COMPANY

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STATEMENT OF WORK

At the request of the Port of Pasco (Client), Kirt R. Shaffer, of Tippett Company of Washington, LLC (Broker), has prepared this Broker Market Rent Opinion for the real property located at 3406 N. Swallow Avenue, Building #210, Pasco, Washington ("Subject Property").

The purpose of this report is to assist Client in evaluating rental-rate positioning and lease terms for current or prospective tenants. The opinion is subject to the assumptions, limiting conditions, qualifications, and lease terms stated in this report.

Kirt R. Shaffer is a licensed real estate broker in the State of Washington and has prepared this report on behalf of Tippett Company of Washington, LLC. Neither Kirt R. Shaffer nor Tippett Company of Washington, LLC has acted as a licensed or certified real estate appraiser in preparing this report. This report constitutes a professional brokerage opinion and is not an appraisal.

This report was prepared solely for the Port of Pasco's internal use in evaluating rental-rate positioning and potential lease terms for the Subject Property. No other party is an intended user of this report, and no third party may rely on it without Broker's prior written consent.

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EXECUTIVE SUMMARY

At the request of the Port of Pasco, Kirt R. Shaffer of Tippett Company of Washington, LLC prepared this Broker Market Rent Opinion for the 6,400-square-foot lease premises in the 7,000-square-foot building at 3406 N. Swallow Avenue, Building #210, Pasco, Washington.

For purposes of this opinion, Broker assumes that the 6,400-square-foot lease premises are accompanied by approximately 32,000 square feet of supporting land, used for access, loading, parking, circulation, and related industrial purposes, as further described in this report. The rent conclusion applies solely to the 6,400-square-foot lease premises. The remaining approximately 600 square feet of the building are excluded from this analysis.

Broker analyzed the lease comparables presented in this report and adjusted them, as applicable, for differences in lease structure, expense responsibilities, timing, location, physical and functional characteristics, and supporting-land contribution. Broker also considered the limited inventory of comparable buildings actively marketed for lease as of the effective date. The adjusted comparable indications range from $0.43 to $0.82 per square foot per month, equivalent to $3.96 to $9.96 per square foot per year.

Based on the available market evidence, the assumed lease terms, and the assumptions and limiting conditions stated in this report, Broker concludes that, as of September 28, 2026, the market-rent range for the Subject Property is **$0.44 to $0.49 per square foot per month, equivalent to $5.28 to $5.88 per square foot per year, or expressed as a monthly total, approximately $2,816 to $3,136 per month,** rounded to **$2,800 to $3,130.**

Rent Comparison

- Current contract rent: $1,767.04 per month
- Indicated market base-rent range: approximately $2,800 to $3,130 per month
- Indicated increase above current contract rent: approximately $1,030 to $1,360 per month

The concluded market-rent range assumes a 36- to 60-month lease and does not include any premium associated with month-to-month occupancy. Any such premium should be evaluated separately based on the flexibility provided to the tenant and the corresponding uncertainty borne by the landlord.

This conclusion is a professional brokerage opinion and is not a licensed or certified appraisal.

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PROPERTY INFORMATION

Address:	3406 N. Swallow Avenue Building #210 Pasco, WA 99301
Type:	Storage warehouse
Parent Parcel ID:	113-290-029
Owner of Record:	Port of Pasco
Lease Premises:	6,400 SF
Zoning:	Light Industrial (I-1)
Utilities:	City sewer and water
Year Built:	1940s era
2026 County Assessment:	Tax-Exempt

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The Subject Property is located within the Tri-Cities Airport Industrial Park (TCAIP), west of Fourth Avenue and east of the Tri-Cities Airport. The TCAIP is approximately 0.7 miles north of the I-82/U.S. Highway 12 interchange. Nearby uses include air-transport services, irrigation-equipment suppliers, automotive-parts distribution, school-district transportation facilities, and other light-industrial users.

Per information provided by the City of Pasco, Subject Property is served by city sewer and water, as shown on the City Utility Map contained herein.

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PROPERTY IMAGES

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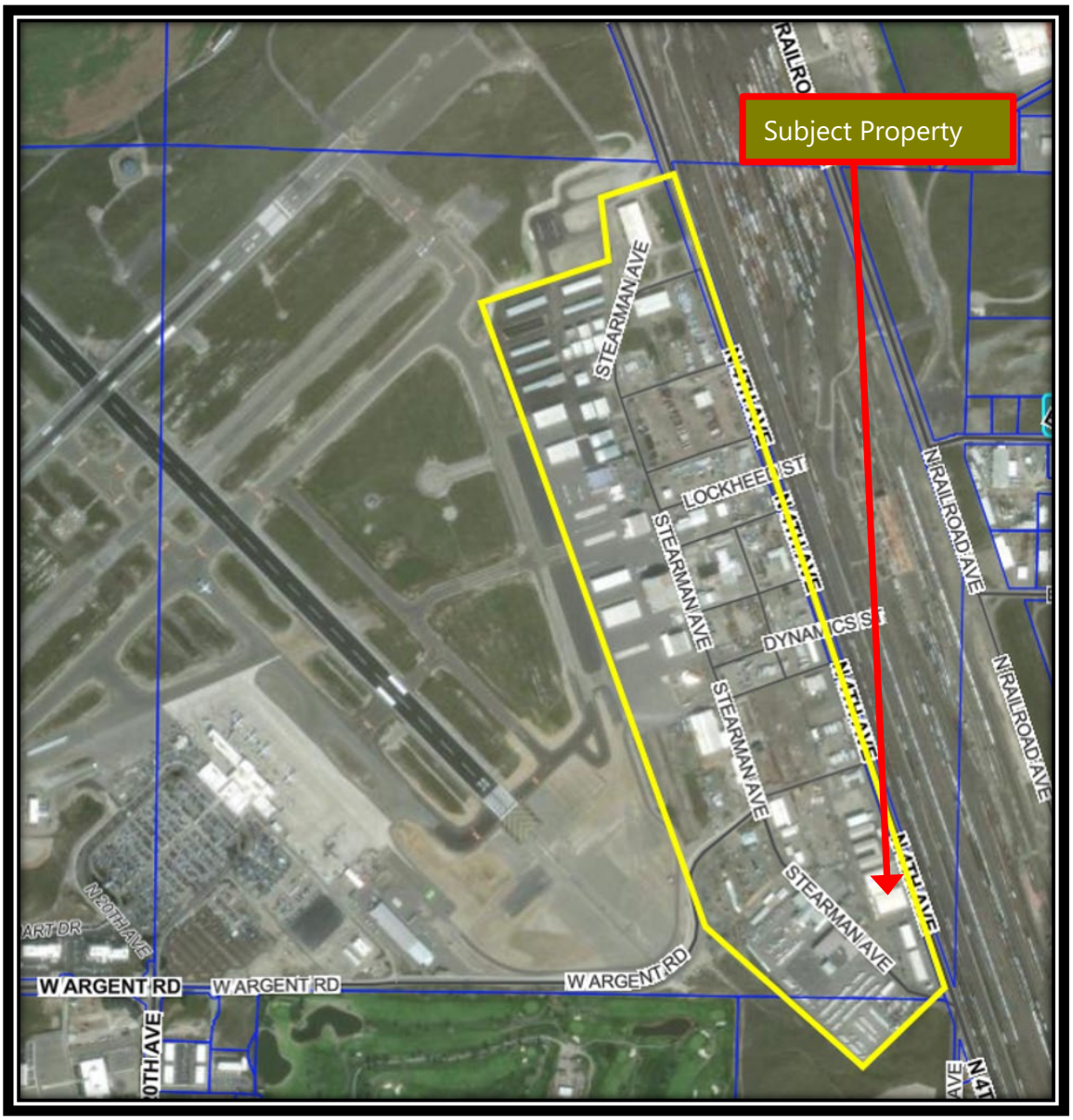
FRANKLIN COUNTY ASSESSOR AERIAL



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UTILITY MAP

Source: City of Pasco. Utility locations are approximate. Broker has not independently verified utility locations, capacity, condition, or availability.

LEGEND

Water Service Line

Sewer Service Line

Water Meter

Water Hydrant

Storm Catch

Manholes

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Market-Rent Analysis

Broker's opinion assumes that the Subject Property is offered for lease in its current condition, subject to the assumptions and limiting conditions stated in this report.

For purposes of this opinion, Broker assumes that the 6,400-square-foot lease premises are accompanied by approximately 32,000 square feet of supporting land, representing an assumed land-to-building ratio of approximately 5.0:1.

Broker was unable to independently verify the precise land area allocated to the leased premises. Accordingly, the approximately 32,000-square-foot supporting land is an analytical assumption for purposes of this opinion.

Industrial tenants typically expect a reasonable amount of supporting land for access, parking, loading, circulation, and other customary industrial uses. In Broker's experience, the amount of supporting land accompanying a leased building can materially affect its rental rate.

Comparable Lease Method

Adjusted comparable indications: $0.43 to $0.82 per square foot per month

Reconciled Opinion

Selected range: $0.44 to $0.49 per square foot per month

Comparable Lease Evidence

Reliable lease data is more limited than sales data because lease transactions are not commonly recorded in public records.

Comparable lease data for buildings in this market is even more limited. Broker has participated in prior lease transactions involving properties with certain characteristics comparable to the Subject Property and considered those transactions together with other available market evidence. Broker analyzed and adjusted the available lease data for material differences between each comparable property and the Subject Property. Adjustments for differences between each comparable and the Subject Property included, but were not limited to, the following:

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- Location
- Building age, condition, construction, and finish
- Type of lease (gross lease vs modified triple-net lease)
- Adjustment of historical rents using applicable CPI changes, contractual escalations, and observed market-rent trends
- Other property-specific factors considered material by Broker

Adjustments reflect Broker's professional judgment based on available lease information, prior transaction experience, estimated expense responsibilities, and the relative characteristics of each property. The adjustments are intended to develop comparable modified triple-net rental indications and are not based on a formal appraisal adjustment model.

Potential Renewal Considerations

The current contract rent of $0.27 per square foot per month is below Broker's opinion of market rent as of the effective date.

In evaluating a possible renewal, the Client may wish to consider the concluded market-rent range together with the existing tenant's payment and occupancy history, the value of uninterrupted income, anticipated costs and downtime associated with tenant turnover, the condition in which the premises would be returned, and any improvements or other concessions requested by the tenant.

If retaining the existing tenant is a priority, the Client could consider a structured transition toward the market rent supported at the time of renewal rather than a single adjustment at renewal. Potential structures could include a phased increase during the renewal term, an initial rate below the concluded market-rent range followed by scheduled increases, or a longer lease term in exchange for a moderated initial rate. Any concession should be evaluated in relation to the economic value received by the Client, including lease-term certainty, reduced turnover exposure, tenant-funded improvements, or other favorable lease terms.

These considerations are provided for lease-planning purposes only. They do not alter Broker's opinion of current market rent as of the effective date, and they should be revisited using market information available closer to the expiration of the existing lease.

Market Conditions within the TCAIP

Client's reported portfolio represents a meaningful concentration of rentable space within the TCAIP and provides relevant context for leasing conditions within that industrial park.

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The building types in the TCAIP that Broker considered range from World War II-era shops, warehouses, and offices to pre-engineered metal buildings and traditional office buildings. Certain Client-owned buildings are not currently in rentable condition and are therefore excluded from this analysis.

Client reports owning 20 buildings containing 171,089 square feet of rentable space. Client also reports that all rentable buildings included in this analysis are currently leased, representing reported occupancy of 100% as of the effective date.

Many of the buildings considered within the TCAIP have older construction, more limited finishes, or fewer amenities than conventional industrial properties elsewhere in the market. These characteristics support rental rates below those typically associated with newer, higher-finish industrial properties in the broader market. The reported occupancy indicates tenant acceptance of this category of space at the rents and lease terms historically offered.

The reported occupancy provides relevant evidence of tenant demand for this category of space within the TCAIP as of the effective date. However, occupancy alone does not establish market rent and has therefore been considered together with comparable lease data, the Subject Property's characteristics, historical rental trends, and the assumed lease terms.

Assumed Lease Terms

Broker's opinion assumes the following lease terms:

Lease Term: 36 to 60 months

Condition of Premises: Leasable, as-is condition consistent with the property characteristics described in this report

Tenant Improvements: No landlord-funded tenant improvements

Lease Structure: Modified triple-net

Annual Rent Increase: 3.0% beginning on the first anniversary of lease commencement

Tenant-Paid Expenses:

- Separately metered electricity, water, sewer, natural gas, and garbage service
- Routine maintenance of the leased premises
- Leasehold excise tax, if applicable

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Landlord-Paid Expenses:

- Building insurance
- Structural repairs
- HVAC replacement

For purposes of this report, "modified triple-net" means the tenant pays separately metered utilities, routine maintenance, and applicable leasehold excise tax, while the landlord remains responsible for building insurance, structural repairs, and HVAC replacement.

Property Characteristics

Building

The Subject Property was reportedly constructed in the 1940s.

The building consists of wood framing and metal siding with an arched metal roof. The lease building has a grade-level roll-up door.

The interior has a clear height of approximately 15 feet with a concrete floor.
The building has no interior office space or restroom.

Site

The site is level with areas for truck parking.

Assumptions

This opinion is subject to the following assumptions and limiting conditions:

- Broker has not performed architectural, engineering, environmental, structural, or code-compliance inspections.
- Unless otherwise stated, the Subject Property is assumed to be in leasable condition and free of material deferred maintenance.
- Building areas, site areas, and other physical data were obtained from sources believed reliable but were not independently measured or verified.
- The opinion assumes that the Subject Property may lawfully continue to be used for the uses contemplated in this report.
- The opinion reflects market conditions and information available as of the effective date and may not apply at a later date.

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Reconciliation

The Subject Property's current total monthly rent is $1,767.04, equivalent to approximately $0.27 per square foot per month. Broker considered the existing lease rate as historical, property-specific evidence but did not treat it as conclusive evidence of current market rent because it reflects the timing, escalation provisions, and negotiated terms of the existing lease. Greater weight was placed on adjusted indications from more recent market transactions, with secondary consideration given to active lease listings and Broker's experience with comparable industrial leasing activity in the market.

The lease transactions analyzed in this report represent the most relevant reliable lease evidence available to Broker for purposes of this analysis. The comparable pages first present adjustments for lease structure, expense responsibilities, timing, and supporting-land contribution. The cumulative Subject Property adjustment described below was then applied to derive the final adjusted rental indications used in the reconciliation. Broker reconciled the adjusted lease data by placing the greatest weight on comparables most similar to the Subject Property in building size, configuration, and functional utility.

The concluded range reflects the Subject Property's industrial-park location and functional limitations.

Broker first adjusted the comparable rents, as applicable, for lease structure, expense responsibilities, timing, and supporting-land contribution. Broker then applied a cumulative 10% downward Subject Property adjustment to reflect the combined effects of the Subject Property's age, mixed construction, condition, finish, amenities, and functional utility relative to the comparable properties. Because the available evidence did not reliably isolate the rental effect of each characteristic, Broker applied a single cumulative adjustment rather than separate line-item adjustments. The resulting final adjusted indications range from $0.43 to $0.82 per square foot per month. These indications reflect the assumed 5.0:1 land-to-building ratio for the 6,400-square-foot lease premises, including approximately 32,000 square feet of supporting land, with adjustments for excess supporting land where applicable.

The selected 10% adjustment reflects Broker's judgment regarding the combined market impact of these characteristics after considering the relative condition and functional utility of the comparable properties. The available lease evidence was insufficient to support separate quantitative adjustments for each characteristic.

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The concluded range of $0.44 to $0.49 per square foot per month brackets the median final adjusted comparable indication of approximately $0.47 per square foot per month. Broker considers this range reasonable after placing greatest weight on the transactions most similar to the Subject Property in building size, warehouse configuration, loading characteristics, and functional utility, while giving less weight to the upper and lower ends of the adjusted range.

Displayed adjusted rental rates may reflect minor rounding differences. These differences do not materially affect the reconciled market-rent conclusion.

Lease Comparable Summary

	Use Type	SF	Preliminary Adjusted Rate/SF/MO	Rate/SF/MO with 10% Reduction	Subject Comparison
Comp 1	Inuslation	2,100	$ 0.67	$ 0.60	Slightly Superior
Comp 2	Wrestlling Club	2,100	$ 0.47	$ 0.43	Slightly Superior
Comp 3	Meat Market	2,600	$ 0.91	$ 0.82	Slightly Superior
Comp 4	Taxidermy	3,650	$ 0.33	$ 0.29	Slightly Superior
Comp 5	Motorcyle Parts, Service, & Sales	5,250	$ 0.47	$ 0.43	Slightly Superior
Comp 6	Auto Parts Distribution & Sales	6,100	$ 0.63	$ 0.57	Slightly Superior
Comp 7	Industrial Parts Sales	7,000	$ 0.52	$ 0.47	Slightly Superior
Comp 8	Moving & Storage	8,100	$ 0.51	$ 0.46	Slightly Superior
		Median	**$ 0.52**	**$ 0.47**	
		Average	**$ 0.56**	**$ 0.51**	
	**Reflects adjusted rates as noted in report*				

Broker also reviewed six active industrial and warehouse lease listings containing between 5,000 and 10,000 square feet. Broker considered five of the listings substantially superior to the Subject Property and one slightly superior. Because the listings represent asking rents rather than completed transactions, Broker applied an estimated 10% downward adjustment for anticipated negotiation and concessions and gave this evidence secondary weight. The estimated 10% adjustment for anticipated negotiation and concessions reflects Broker's professional judgment and market experience. It is not based on a statistical study of the difference between asking rents and executed rents for the identified listings.

The adjusted active-listing range of $0.68 to $1.22 per square foot per month provides general market context but does not directly establish the Subject Property's market rent.

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Active Lease Listings: 5,000 SF to 10,000 SF

Address	City	Sale Price	Rate/SF/Month with 10% Adjustment	AvailSQFT	Subject Comparison
2746 Battelle Blvd	R	$ 1.00	$ 0.90	5,000	Substantially Superior
1342 Saint Helens St.	P	$ 1.36	$ 1.22	5,400	Substantially Superior
1615 E Chemical Dr	K	$ 0.76	$ 0.68	6,269	Slightly Comparable
2504 Manufacturing Lane	R	$ 1.05	$ 0.95	8,000	Substantially Superior
2060 N Commercial Ave	P	$ 1.15	$ 1.04	8,750	Substantially Superior
8111 Keene Road	WR	$ 0.93	$ 0.84	9,642	Substantially Superior

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Conclusion

Based on the available comparable-lease evidence, current asking-rent information, the Subject Property's physical and functional characteristics, and the assumptions and limiting conditions stated in this report, Broker concludes that the market rent for the Subject Property, as of September 28, 2026, **is $0.44 to $0.49 per square foot per month**, equivalent to **$5.28 to $5.88 per square foot per year**. Applied to 6,400 rentable square feet, the **indicated base rent is approximately $2,816 to $3,136 per month, rounded to $2,800 to $3,130 per month.**

This conclusion assumes a 36-to-60-month modified triple-net lease, annual rent increases of 3.0%, delivery of the premises in leasable as-is condition, and no landlord-funded tenant improvements. The analysis also assumes that approximately 32,000 square feet of supporting land accompanies the lease premises. Broker was unable to independently verify the precise supporting land, and a material difference between the assumed and actual supporting land allocation could affect the rent conclusion.

The concluded range does not include a premium for month-to-month occupancy, landlord-funded improvements, or usable land exceeding the stated assumption. Those matters should be evaluated separately during lease negotiations.

This report constitutes a professional brokerage opinion prepared for Client and is not an appraisal and should not be relied upon as one.

_____ September 28, 2026

Kirt R. Shaffer - Managing Broker Date

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REFERENCED COMPARABLES

As noted earlier in this report, comparable market lease evidence is challenging to obtain due to the age and condition of the Subject Property. The eight lease comparables are located in an industrial center in Kennewick, WA. The industrial center comprises three buildings constructed in 1977. The industrial center's building addresses are 514, 516, and 518 East 1st Avenue.

Although the comparable buildings were constructed after the Subject Property, Broker considered them relevant because of their industrial use, general building sizes, warehouse configurations, loading characteristics, and availability of reliable lease information. Broker applied adjustments to account for material differences.

The '514' building is an approximately 7,220-square-foot concrete-block building with an arched roof and an attached metal-sided office. The building features grade-level roll-up doors.

The "518" and "516" buildings are 6,000 and approximately 26,000 square feet, respectively. Both buildings are constructed of block and brick and have flat roofs. The buildings have a mixture of grade-level and dock-high doors. Some of the leased spaces within these buildings do not have ADA access.

All three buildings are located one lot off a lighted intersection with good access to a main traffic arterial.

Broker spoke with the listing broker, who has facilitated many of the leases in the industrial center, including the most recent lease with the auto parts sales and distribution tenant. In the listing broker's opinion, most tenant rental rates within the industrial center are below market; however, the most recent lease is more reflective of current market conditions.

Lease Structure

Lease structures for all tenants in this industrial center are modified gross leases where the tenant pays utilities in addition to monthly rent.

Zoning

Industrial Heavy (IH)

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East 1st Avenue Industrial Center Aerial

514 East 1st Avenue Building

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518 East 1st Avenue Building

516 East 1st Avenue Building

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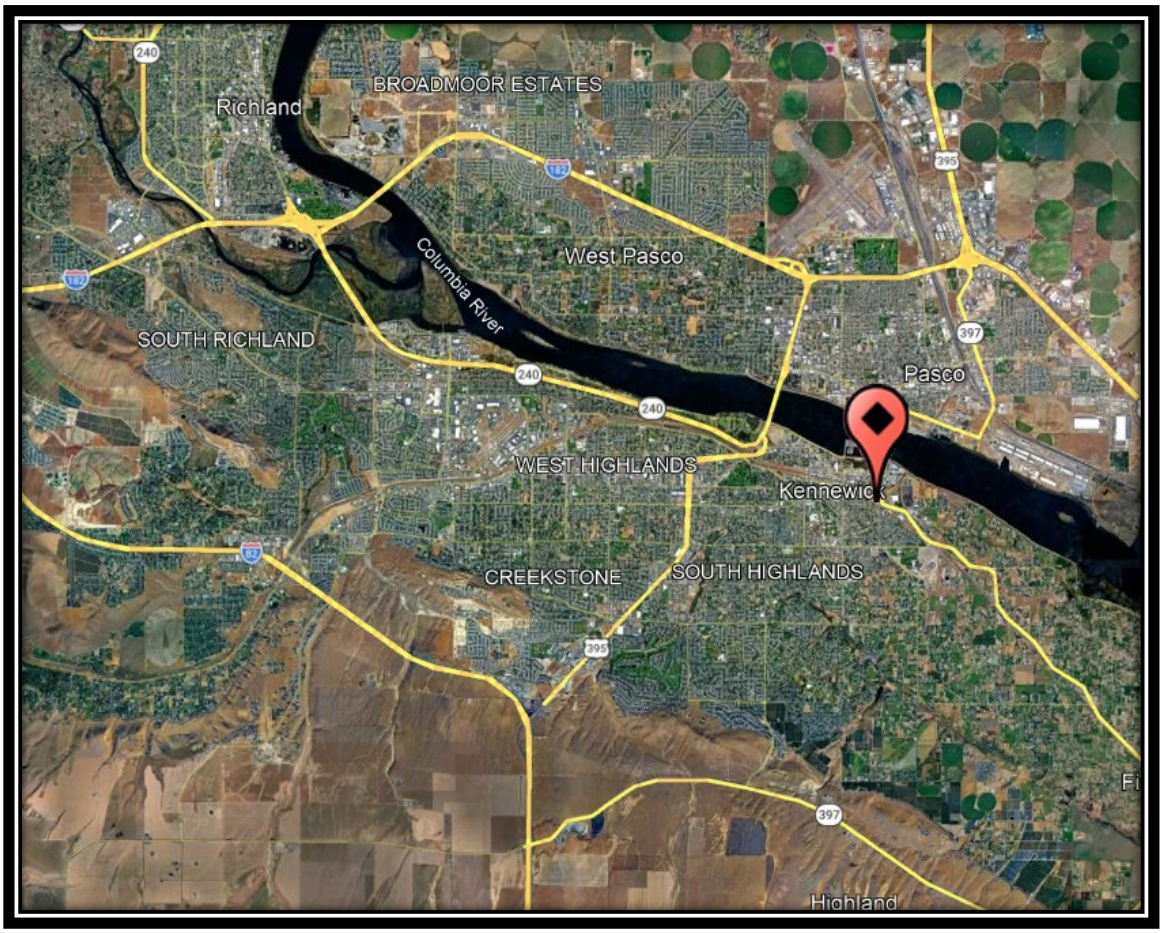
COMPARABLE LEASES MAP



Legend

Comp 1	Inuslation
Comp 2	Wrestlling Club
Comp 3	Meat Market
Comp 4	Taxidermy
Comp 5	Motorcyle Parts, Service, & Sales
Comp 6	Auto Parts Distribution & Sales
Comp 7	Industrial Parts Sales
Comp 8	Moving & Storage

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