
Broker Market Rent Opinion



Client: Port of Pasco

3416 N. Stearman Avenue
Pasco, WA 99301
Building #1-86

By:
Kirt R. Shaffer
Tippett Company
of Washington, LLC

Effective Date:
September 28, 2026



TABLE OF CONTENTS

STATEMENT OF WORK.....	3
EXECUTIVE SUMMARY.....	4
PROPERTY INFORMATION.....	5
PROPERTY IMAGES	7
FRANKLIN COUNTY ASSESSOR AERIAL.....	10
UTILITY MAP	11
MARKET ANALYSIS	12
Market-Rent Analysis	12
Comparable Lease Evidence.....	13
Potential Renewal Considerations.....	14
Market Conditions within the TCAIP	14
Assumed Lease Terms.....	15
Property Characteristics	16
Assumptions	16
COMPARABLE-LEASE EVIDENCE.....	17
Reconciliation.....	17
Conclusion.....	19
REFERENCED COMPARABLES	20
1. 3416 N. Stearman Avenue, Pasco, WA (Subject Property).....	20
2. 1919 N. 20th Avenue, Pasco, WA	21
3. 1923 & 1925 N. 20th Avenue, Pasco, WA	22
4. 343 Wellsian Way, Suite 102, Richland, WA	23
5. 6416 W Okanogan Avenue, Kennewick, WA.....	24
COMPARABLE LEASES MAP.....	25

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

STATEMENT OF WORK

At the request of the Port of Pasco (Client), Kirt R. Shaffer of Tippet Company of Washington, LLC (Broker) has prepared this Broker Market Rent Opinion for the real property located at 3416 N. Stearman Avenue, Building 1-86, Pasco, Washington ("Subject Property").

The purpose of this report is to assist the 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 Tippet Company of Washington, LLC. Neither Kirt R. Shaffer nor Tippet 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.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

EXECUTIVE SUMMARY

At the request of the Port of Pasco, Kirt R. Shaffer of Tippetts Company of Washington, LLC has prepared this Broker Market Rent Opinion for the 4,850-square-foot office premises located at 3416 N. Stearman Avenue, Building 1-86, Pasco, Washington.

Broker considered two principal sources of market evidence. First, applying the referenced CPI changes to Broker's 2021 market-rent opinion produces a secondary benchmark of \$13.31 to \$14.58 per square foot per year. Second, the available adjusted lease indications range from \$10.58 to \$13.57 per square foot per year.

Broker placed the greatest weight on the adjusted indications from 343 Wellsian Way and 6416 W. Okanogan Avenue, which were considered the most relevant available comparables based primarily on building size and functional use. Broker also considered differences in construction, interior finish, tenancy, lease structure, tenant improvements, location, and visibility. The adjusted indication range of these two most comparable properties is \$12.07 to \$13.57 per square foot per year.

The concluded range is generally below the CPI benchmark but is supported by the adjusted lease evidence, which Broker considered the more reliable indicator of current market rent. The conclusion reflects the Subject Property's functional office utility while recognizing its older construction, utilitarian finish, and industrial-park setting.

As of September 28, 2026, Broker concludes that the market-rent range for the Subject Property is **\$12.25 to \$13.50 per square foot per year, equivalent to approximately \$4,950 to \$5,460 per month.**

Rent Comparison

- Current contract rent: \$4,491.43 per month
- Indicated market range: approximately \$4,950 to \$5,460 per month
- Indicated increase above current contract rent: approximately \$460 to \$970 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.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

PROPERTY INFORMATION

Address:	3416 N. Stearman Avenue Building 1-86 Pasco, WA 99301
Type:	Office
Parent Parcel ID:	113-290-029
Owner of Record:	Port of Pasco
Lease Premises:	4,850 SF
Associated Site Area:	0.9 AC
Zoning:	Light Industrial (I-1)
Utilities:	City sewer and water
Improvement Description	
Building:	4,850 SF
Year Built:	1986
2026 County Assessment:	Tax Exempt

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.



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.

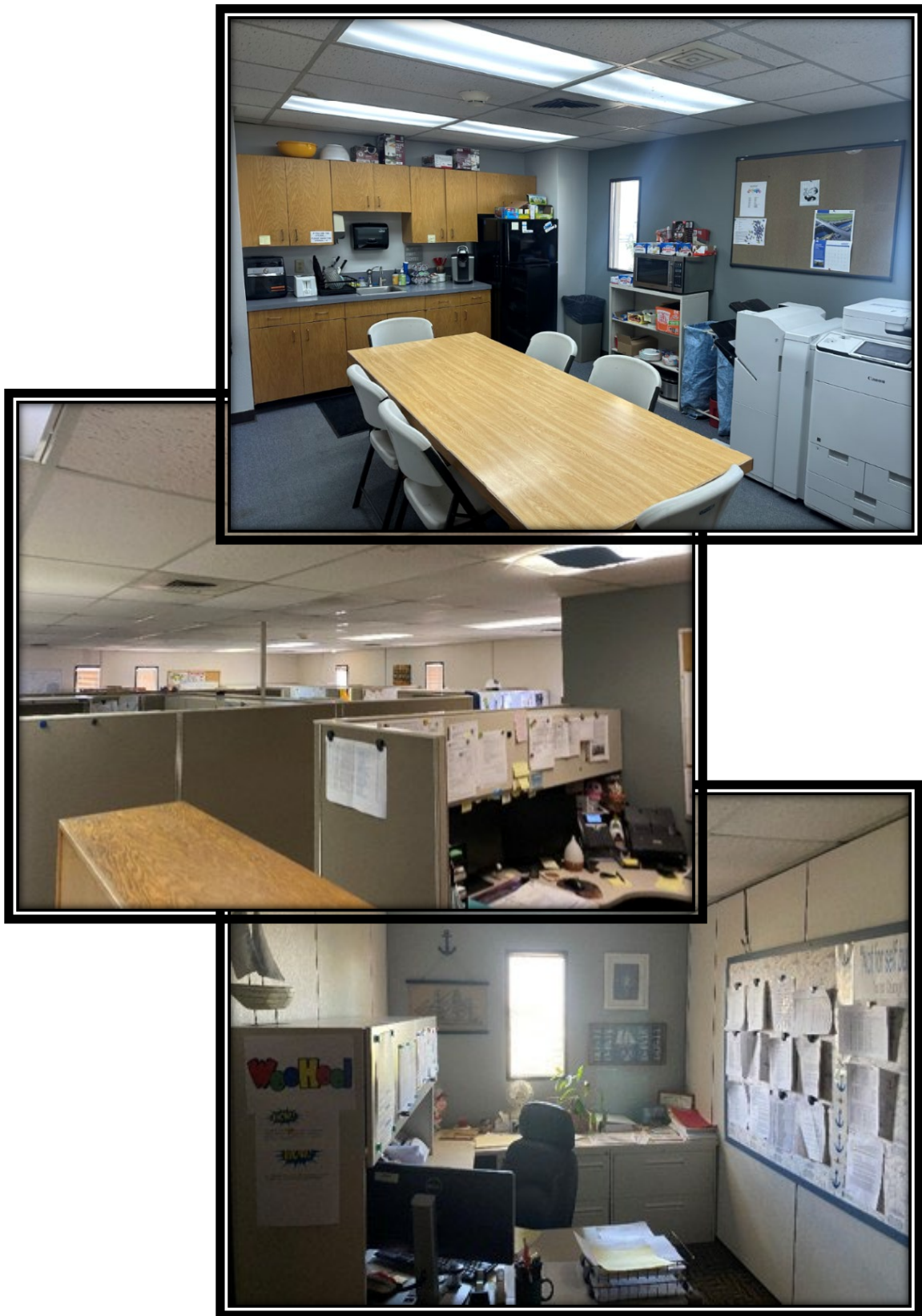
Based on information provided by the City of Pasco, the Subject Property is served by city water and sewer, as depicted on the utility map included in this report.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

PROPERTY IMAGES



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

FRANKLIN COUNTY ASSESSOR AERIAL



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

UTILITY MAP



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

LEGEND

- Water Service Line 
- Sewer Service Line 
- Water Meter 
- Water Hydrant 
- Storm Catch 
- Manholes 

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

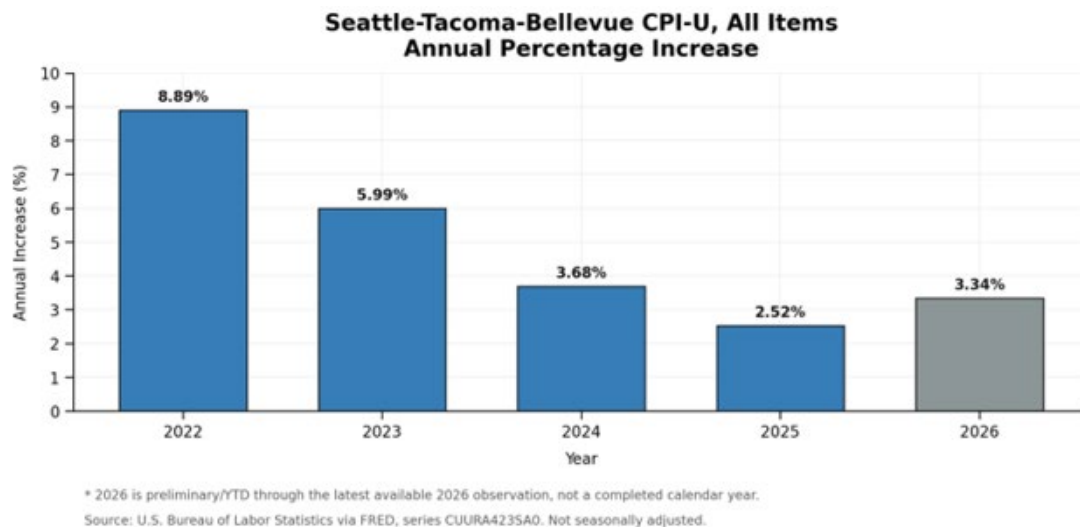
MARKET ANALYSIS

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.

If the Client provides tenant improvements as part of a new or renewed lease, the rental rate should be increased, at a minimum, to recover the amortized cost of those improvements over the initial lease term. Conversely, if the tenant funds improvements that provide a lasting benefit to the property, the Client may consider an appropriate rent concession based on the cost and anticipated benefit of those improvements.

Broker's November 2021 Market Rent Opinion concluded a range of \$10.50 to \$11.50 per square foot per year, equivalent to approximately \$4,244 to \$4,648 per month. Applying the CPI changes referenced in the existing lease for 2022 through 2025, together with the applicable portion of 2026, produces a secondary benchmark of \$13.31 to \$14.58 per square foot per year.



The CPI benchmark is included as a point of reference and is not used as the primary measure of market-rent growth.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

Year	2021	2022	2023	2024	2025	2026	Average
Annual CPI Increase		8.89%	5.99%	3.68%	2.52%	3.34%	4.88%
Low							
Rent (SF/YR)	\$ 10.50	\$ 11.43	\$ 12.12	\$ 12.56	\$ 12.88	\$ 13.31	
Rent (Per MO)	\$ 4,244	\$ 4,621	\$ 4,898	\$ 5,078	\$ 5,206	\$ 5,380	
High							
Rent (SF/YR)	\$ 11.50	\$ 12.52	\$ 13.27	\$ 13.76	\$ 14.11	\$ 14.58	
Rent (Per MO)	\$ 4,648	\$ 5,061	\$ 5,364	\$ 5,562	\$ 5,702	\$ 5,892	

Broker concluded that the comparable lease evidence presented in this report provided the strongest indication of current market rent and therefore received the greatest weight in the reconciliation.

CPI Benchmark

2021 range escalated using applicable CPI changes: \$13.31 to \$14.58 per square foot per year

Comparable Lease Method

Adjusted comparable indications: \$10.58 to \$13.57 per square foot per year

Reconciled Opinion

Selected range: \$12.25 to \$13.50 per square foot per year

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 properties similar to the Subject is particularly limited.

Broker analyzed and adjusted the limited available lease data for material differences between each comparable property and the Subject Property.

In analyzing differences between each comparable and the Subject Property, Broker considered the following adjustment factors, as applicable:

- Location

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

- Building condition
- Lease structure (gross lease vs modified triple-net lease)
- Time and market-condition adjustments, considering applicable contractual escalations, changes in the referenced CPI index, and available evidence of market-rent growth
- Other property-specific factors considered material by Broker.

Potential Renewal Considerations

The current contract rent of \$0.93 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. 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.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

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

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

Landlord-Paid Expenses:

- Building insurance
- Structural repairs
- HVAC replacement

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

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 is a one-story, wood-frame office building with a stucco exterior and metal roof. The interior includes a mix of private offices, open work areas, administrative space, and employee support areas. Interior finishes are functional and generally consistent with older office space serving industrial-park users.

Site

The associated site area is generally level and includes paved parking and circulation areas serving the Subject Property.

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 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.
- This report is prepared solely for the Client's use for the stated purpose.
- Broker has not provided a legal opinion regarding zoning compliance, lease enforceability, title, or other legal matters.
- Lease terms, operating-expense information, property characteristics, and other data supplied by owners, tenants, brokers, governmental agencies, or other third parties are assumed to be accurate but have not necessarily been independently verified.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

COMPARABLE-LEASE EVIDENCE

Reconciliation

The Subject Property's current total monthly rent is \$4,491.43, equivalent to approximately \$11.11 per square foot per year. Broker considered this lease rate as historical, property-specific evidence. Broker did not treat the lease rate 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 the adjusted indications from more recent market transactions, properties in this market currently available for lease, and Broker's overall opinion of the market.

The concluded range reflects the Subject Property's older construction, industrial-park location, office configuration, limited interior finish, and other functional characteristics described in this report.

Broker first adjusted the comparable rents, as applicable, for lease structure, expense responsibilities, timing, and site contribution.

The adjusted lease comparables indicate a range of \$10.58 to \$13.57 per square foot per year. Broker placed the greatest weight on the comparables at 343 Wellsian Way and 6416 W. Okanogan Avenue because their building areas and functional uses are most similar to the Subject Property. These comparables provide adjusted indications of \$12.07 and \$13.57 per square foot per year, respectively.

The N. 20th Avenue comparables were considered secondary evidence because of differences in building size, lease structure, landlord-provided services, interior finish, and transaction timing. Broker also considered the Subject Property's current contractual rent as historical property-specific evidence but did not consider it conclusive evidence of current market rent.

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

Lease Comparable Summary

	<u>Address</u>	<u>City</u>	<u>SF</u>	<u>Adjusted Rent</u> <u>(\$/SF/YR)</u>	<u>Subject Comparison</u>
Comp 1	3416 N Stearman Ave	P	4,850	\$ 11.11	Subject
Comp 2	1919 N 20th Ave	P	2,183	\$ 10.58	Materially Inferior
Comp 3	1923 N 20th Ave	P	3,578	\$ 11.30	Materially Inferior
Comp 4	343 Wellsian Way	R	3,742	\$ 12.07	Comparable
Comp 5	6416 W. Okanagon Ave	K	4,726	\$ 13.57	Slightly Superior
			Median*	\$ 11.68	
			Average*	\$ 11.88	
	*Excludes Subject				

(City Legend: K=Kennewick, P=Pasco, R=Richland)

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

Conclusion

Based on the available comparable lease evidence, the CPI benchmark, the assumed lease terms, and the Subject Property's age, functional utility, interior finish, and industrial-park location stated in this report, Broker concludes that market rent for the Subject Property as of September 28, 2026, is **\$12.25 to \$13.50 per square foot per year**, equivalent to **\$1.02 to \$1.13 per square foot per month**. Applied to 4,850 rentable square feet, the concluded range equates to approximately **\$4,950 to \$5,460 per month in base rent**.

This conclusion assumes a 36-to-60-month modified triple-net lease, annual rent increases of 3.0%, delivery of the premises in good, leasable, as-is condition, and no landlord-funded tenant improvements. The tenant is assumed to pay separately metered utilities, routine maintenance of the leased premises, and leasehold excise tax, if applicable. The landlord is assumed to remain responsible for building insurance, structural repairs, and HVAC replacement.

The concluded rent applies only to the premises and land area described and assumed in this report. Any additional exclusive-use yard area, month-to-month occupancy premium, landlord-funded improvements, or other transaction-specific consideration should be evaluated separately. Final lease terms may also be affected by the tenant's proposed use, credit profile, improvement requirements, expense allocation, and other negotiated provisions.

This report constitutes a professional brokerage opinion prepared for the Client's stated use. It is not an appraisal and should not be relied upon as one.



Kirt R. Shaffer - Managing Broker

September 28, 2026

Date

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

REFERENCED COMPARABLES

1. 3416 N. Stearman Avenue, Pasco, WA (Subject Property)

Lease Commencement Date: 2/1/2019

Tenant: Franklin County Public Works

Zoning: Light Industrial (I-1)

Year Built: 1986

Lease Premises: 4,850 SF & 0.9 ac

Lease Type: Modified Triple-Net

Additional Rent: Utilities

Annual Escalations: CPI Index

Current Lease Rate: \$11.11/SF/YR

Adjusted Rent: \$11.11/SF/YR

Comments: This is a single-tenant leased building in good condition considering its age. Its street-corner location offers good visibility and easy ingress and egress.



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

2. 1919 N. 20th Avenue, Pasco, WA

Lease Commencement Date: 12/1/2019

Tenant: Tri-Cities Realty Group

Zoning: O – Office District

Year Built: 1978

Lease Premises: 2,183.59 SF

Lease Type: Full-Service

Additional Rent: N/A

Annual Escalations: N/A

Current Lease Rate: \$13.77/SF/YR

Adjusted Rent: \$10.58/SF/YR

Comments: This building is a multi-tenant commercial office building. Construction includes a brick exterior, wood-framed interior, and a flat roof. This location offers high visibility along a high-traffic arterial, just one block from freeway access.

This lease is full-service and includes utilities and common-area janitorial services.

The tenant currently occupies the premises month-to-month at a rental rate of \$13.77 per square foot per year, with no contractual rent escalations.

Adjustments include a reduction for the estimated modified triple-net expenses and an upward property-characteristics adjustment equal to 10% of the comparable's current rental rate because the comparable's office finishes and amenities are inferior to those of the Subject Property.



Relative Comparison	\$ 1.38
Utilities	\$ (1.74)
Taxes	\$ (1.39)
Insurance	\$ (0.37)
Maintenance	\$ (1.07)
TOTAL ADJUSTMENT	\$ (3.19)

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

3. 1923 & 1925 N. 20th Avenue, Pasco, WA

Lease Commencement Date: 5/15/2020

Tenant: HIP of Spokane dba Community-Minded Enterprises

Zoning: O – Office District

Year Built: 1978

Lease Premises: 3,578.29 SF

Lease Type: Modified Gross

Additional Rent: N/A

Annual Escalations: N/A

Current Lease Rate: \$14.42/SF/YR

Adjusted Rent: \$11.30/SF/YR

Comments: This building is a multi-tenant commercial office building. Construction includes a brick exterior, wood-framed interior, and a flat roof. This location offers high visibility along a high-traffic arterial, just one block from freeway access.

The tenant recently extended its lease for an additional five years. The rental rate for this extension was reduced in exchange for the tenant assuming responsibility for utilities and trash service for the entire three-tenant building. The three-tenant building has one shared service meter for each utility.

Adjustments include a reduction for the estimated modified triple-net expenses and an upward property-characteristics adjustment equal to 10% of the comparable's current rental rate because the comparable's office finishes and amenities are inferior to those of the Subject Property.



Relative Comparison	\$ 1.44
Utilities	\$ (1.74)
Taxes	\$ (1.39)
Insurance	\$ (0.37)
Maintenance	\$ (1.07)
TOTAL ADJUSTMENT	\$ (3.12)

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

4. 343 Wellsian Way, Suite 102, Richland, WA

Lease Commencement Date: 6/17/2025

Tenant: Pavement Surface Control

Zoning: General Business (C-3)

Year Built: 2005

Lease Premises SF: 3,742 SF

Lease Type: Modified Gross

Additional Rent: N/A

Annual Escalations: 3.0%

Current Lease Rate: \$14.00/SF/YR

Adjusted Rent: \$12.07/SF/YR

Comments: Building is wood-framed, with a brick exterior, and is a multi-tenant building located along a primary traffic arterial.

The reported rent was adjusted downward by \$1.93 per square foot per year to account for real estate taxes and building insurance included in the rental rate. The resulting adjusted indication is \$12.07 per square foot per year.

Taxes	\$ (1.56)
Insurance	<u>\$ (0.37)</u>
TOTAL ADJUSTMENT	\$ (1.93)



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

5. 6416 W Okanogan Avenue, Kennewick, WA

Lease Commencement Date: 3/4/2025

Tenant: Allwest

Zoning: Light Industrial (IL)

Year Built: 2005

Lease Premises SF: 4,627 SF

Lease Type: Modified Triple-Net

Additional Rent: Utilities

Annual Escalations: 3.0%

Current Lease Rate: \$16.50/SF/YR

Adjusted Rent: \$13.57/SF/YR

Comments: The building has metal siding and a metal roof. The building is predominantly office space, with a small storage component. It is located along a high-traffic arterial in a generally desirable location.

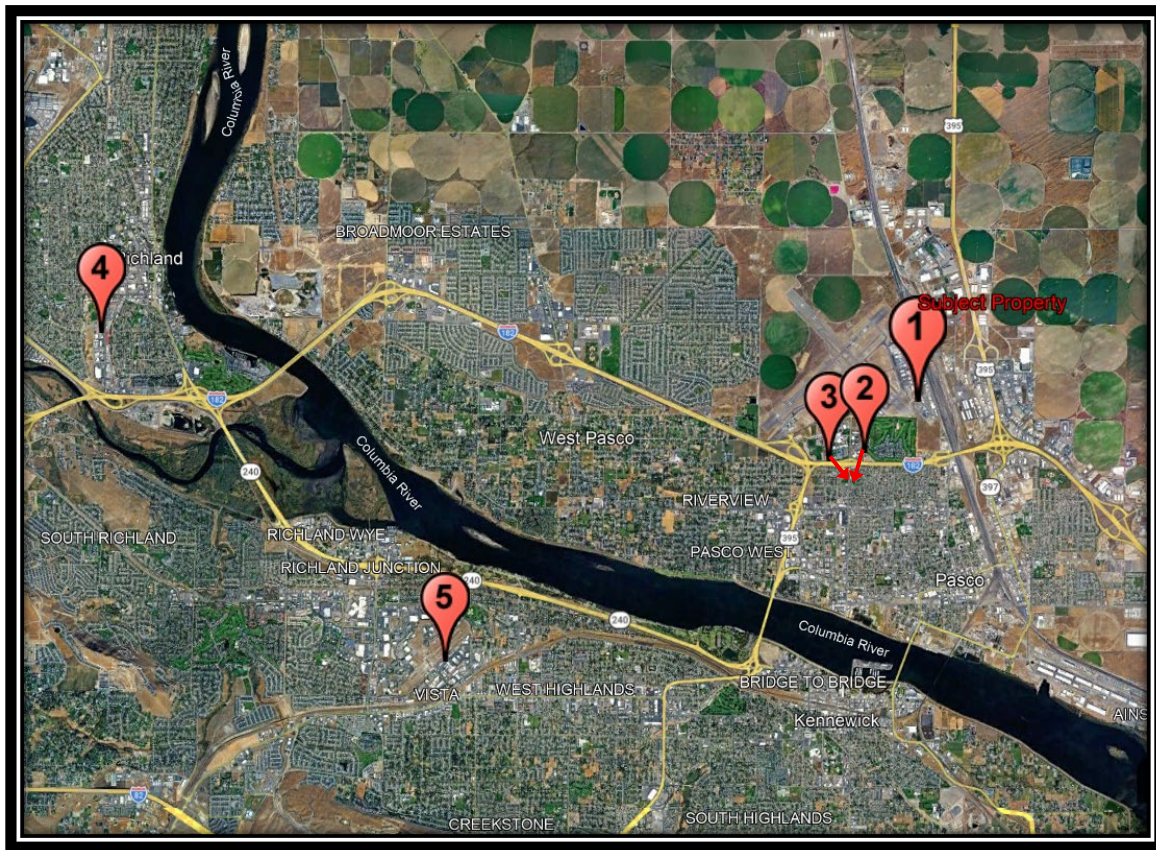
Landlord completed tenant-requested improvements with a cost of approximately \$100,000. Landlord considered \$70,000 of the cost to be in excess of what the landlord anticipated spending on improvements. Tenant agreed to pay a premium in rent in return for the additional cost of tenant improvements. Broker amortized the \$70,000 excess tenant-improvement cost over the ten-year initial lease term using a 7.0 percent annual cost-of-funds assumption. In addition, Broker adjusted the rent downward by 5%, or \$0.83 per square foot per year, to account for this property's slightly superior location. The resulting total downward adjustment was \$2.91 per square foot per year, producing an adjusted indication of \$13.57 per square foot per year.

Relative Comparison	\$ (0.83)
Ammortized TIA	\$ (2.11)
TOTAL ADJUSTMENT	\$ (2.94)



No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.

COMPARABLE LEASES MAP



Legend

Comp 1	3416 N Stearman Ave
Comp 2	1919 N 20th Ave
Comp 3	1923 N 20th Ave
Comp 4	343 Wellsian Way
Comp 5	6416 W. Okanagon Ave

No warranty or representation, expressed or implied, is made as to the accuracy of the information contained herein, including but not limited to dimensions and/or square footage of buildings or the condition of any of the aforementioned. The same is subject to errors and omissions and is the opinion of the Broker based on the Broker's best efforts to analyze current market data.