

AUSTIN SELF STORAGE

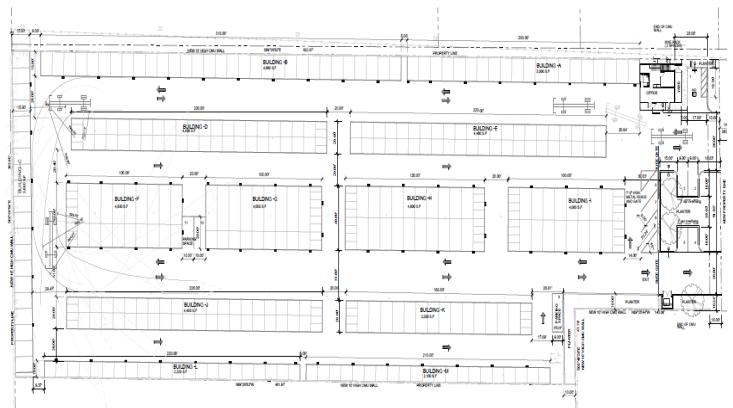
183 South Austin Road
Manteca, California 95336

APPRAISAL REPORT

Date of Report: September 15, 2021

Colliers File #: SMF211224

Client File #: 210813152



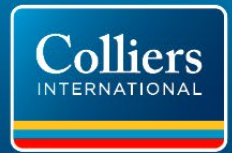
PREPARED FOR
Byline Bank
10 North Martingale Road
Suite #160
Schaumburg, IL 60173

PREPARED BY
COLLIERS INTERNATIONAL
VALUATION & ADVISORY SERVICES

LETTER OF TRANSMITTAL

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September 15, 2021

Byline Bank

10 North Martingale Road
Suite 160
Schaumburg, IL 60173

RE: Austin Self Storage

183 South Austin Road
Manteca, California 95336

Colliers File #: SMF211224

Client File #: 210813152

To Whom It May Concern:

Pursuant with our engagement, the above captioned property was appraised utilizing best practice appraisal principles for this property type. This appraisal report is intended to satisfy the scope of work and requirements agreed upon by Byline Bank and Colliers International Valuation & Advisory Services.

The date of this report is September 15, 2021. At the request of the client, this appraisal is presented in an Appraisal Report format as defined by *USPAP* Standards Rule 2-2(a). Our appraisal format provides a detailed description of the appraisal process, subject and market data and valuation analyses.

The subject consists of two adjacent parcels totaling 2.76-acres site 183 South Austin Road in Manteca, California. The developer plans to build a self-storage facility at the subject. These will be metal buildings built on concrete, the improvements are anticipated to finish January of 2022, will be in good/excellent condition and have a remaining economic life of 50 years based on our estimate. The subject is currently a vacant parcel of land, the improvements will include 396 exterior drive-up units with 48,150 NRSF. Two office spaces will be included in the leasing office of the facility (according to building plans). At the front of building A is where the leasing office will be located. The front of this building will be the only two-story building on-site. Note that this stabilized occupancy does not include concessions and credit loss. The subject will be a class A self-storage facility.

The purpose of this appraisal is to develop opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. The following table conveys the final opinions of market value of the subject property that are developed within this appraisal report:

VALUE TYPE	INTEREST APPRAISED	DATE OF VALUE	VALUE
Market Value As-Is	Fee Simple	September 9, 2021	\$960,000
Prospective Value Upon Completion	Fee Simple	January 15, 2022	\$10,240,000
Prospective Value Upon Stabilization	Fee Simple	January 15, 2024	\$11,700,000
OTHER CONCLUSIONS			AS OF SEPTEMBER 9, 2021
Land Value			\$960,000
Insurable Replacement Cost			\$3,830,000

Reconciliation - The subject title is currently recorded in the name of John Pinedo, who acquired title to the property on July 28, 2020 as land for \$278,000, as recorded in document number 2020-091056 of the San Joaquin County Deed Records. According to the current owner the transaction was not at arms-length. The previous owner flipped it to the current owner on a 10-day close. The difference in value between the sale and our concluded price is due to the conditions of the previous sale, a zoning change and also the entitlements now associated with the site.

he analyses, opinions and conclusions communicated within this appraisal report were developed based upon our interpretation of the requirements and guidelines of the current Uniform Standards of Professional Appraisal Practice (USPAP), the requirements of the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute. The report is intended to conform to the Financial Institutions Reform, Recovery and Enforcement Act (FIRREA) standards, the requirements of the U.S. Small Business Administration, Other and the appraisal guidelines of Byline Bank.

The report, in its entirety, including all assumptions and limiting conditions, is an integral part of, and inseparable from, this letter. *USPAP* defines an Extraordinary Assumption as, "an assignment specific-assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions". *USPAP* defines a Hypothetical Condition as, "that which is contrary to what is known by the appraiser to exist on the effective date of the assignment results but is used for the purpose of analysis".

The Extraordinary Assumptions and/or Hypothetical Conditions that were made during the appraisal process to arrive at our opinions of value are fully discussed below. We advise the client to consider these issues carefully given the intended use of this appraisal, as this use might have affected the assignment results.

EXTRAORDINARY ASSUMPTIONS

The Prospective Market Value at Stabilization is an extraordinary assumption of this report and is based upon market conditions as of the date of this report. It is an extraordinary assumption that the subject property will be built and achieve stabilized occupancy in the projected period of time. Any significant difference in this information would have an impact upon value and the appraisers reserve the right to change their value conclusion should any new information be discovered.

We were provided construction costs, unit mix, timeline of construction, expense budget and design. It is an extraordinary assumption that the information provided to us is accurate and will go as planned. Any significant difference in this information would have an impact upon value and the appraisers reserve the right to change their value conclusion should any new information be discovered.

HYPOTHETICAL CONDITIONS

No Hypothetical Conditions were made for this assignment.

RELIANCE LANGUAGE

The Appraisal is for the sole use of the Client; however, Client may provide only complete, final copies of the Appraisal report in its entirety (but not component parts) to third parties who shall review such reports in connection with loan underwriting or securitization efforts. Colliers International Valuation & Advisory Services is not required to explain or testify as to appraisal results other than to respond to the Client for routine and customary questions. Please note that our consent to allow the Appraisal prepared by Colliers International Valuation & Advisory Services or portions of such Appraisal, to become part of or be referenced in any public offering, the granting of such consent will be at our sole and absolute discretion and, if given, will be on condition that Colliers International Valuation & Advisory Services will be provided with an Indemnification Agreement and/or Non-Reliance letter, in a form and content satisfactory to Colliers International Valuation & Advisory Services, by a party satisfactory to Colliers International Valuation & Advisory Services. Colliers International Valuation & Advisory Services does consent to your submission of the reports to rating agencies, loan participants or your auditors in its entirety (but not component parts) without the need to provide Colliers International Valuation & Advisory Services with an Indemnification Agreement and/or Non-Reliance letter.

Colliers International Valuation & Advisory Services hereby expressly grants to Client the right to copy the Appraisal and distribute it to other parties in the transaction for which the Appraisal has been prepared, including employees of Client, other lenders in the transaction, and the borrower, if any.

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The signatures below indicate our assurance to the client that the development process and extent of analysis for this assignment adhere to the scope requirements and intended use of the appraisal. If you have any specific questions or concerns regarding the attached appraisal report, or if Colliers International Valuation & Advisory Services can be of additional assistance, please contact the individuals listed below.

Sincerely,

COLLIERS INTERNATIONAL**VALUATION & ADVISORY SERVICES**

Jeffrey Shouse, MAI, CRE
National Self-Storage Director
Certified General Real Estate Appraiser
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Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

GENERAL INFORMATION

Property Name	Austin Self Storage
Property Type	Industrial - Self-Storage / Mini-Storage Facility
Address	183 South Austin Road
City	Manteca
State	California
Zip Code	95336
County	San Joaquin
Core Based Statistical Area (CBSA)	Stockton, CA
Market	Stockton
Submarket	Outer Suburbs
Longitude	-121.181123
Latitude	37.796437
Number Of Parcels	1
Assessor Parcel	228-020-460-000
Total Taxable Value	\$200,000
Census Tract Number	0051.13

SITE INFORMATION

Land Area	Acres	Square Feet
Usable	2.76	120,225
Excess	0.00	0
<u>Surplus</u>	<u>0.00</u>	<u>0</u>
Total	2.76	120,225
Topography	Level at street grade	
Shape	Irregular	
Access	Average/Good	
Exposure	Average	
Current Zoning	General Commercial (GC)	
Flood Zone	Zone X (Unshaded)	
Seismic Zone	Moderate Risk	

IMPROVEMENT INFORMATION

Number Of Units	396
Average Unit Size	122 SF
Net Rentable Area SF (NRA)	48,150 SF
Gross Building Area SF (GBA)	50,520 SF
Total Number Of Buildings	15
Number Of Stories	1 and 2
Year Built	2022
Class	A
Quality	Good
Condition	Good
Marketability	Good
Type Of Construction	Steel and masonry
Parking Total (Leasing Office)	11

HIGHEST & BEST USE

As Vacant	Development of a commercial use property
As Proposed	Development of a self-storage property

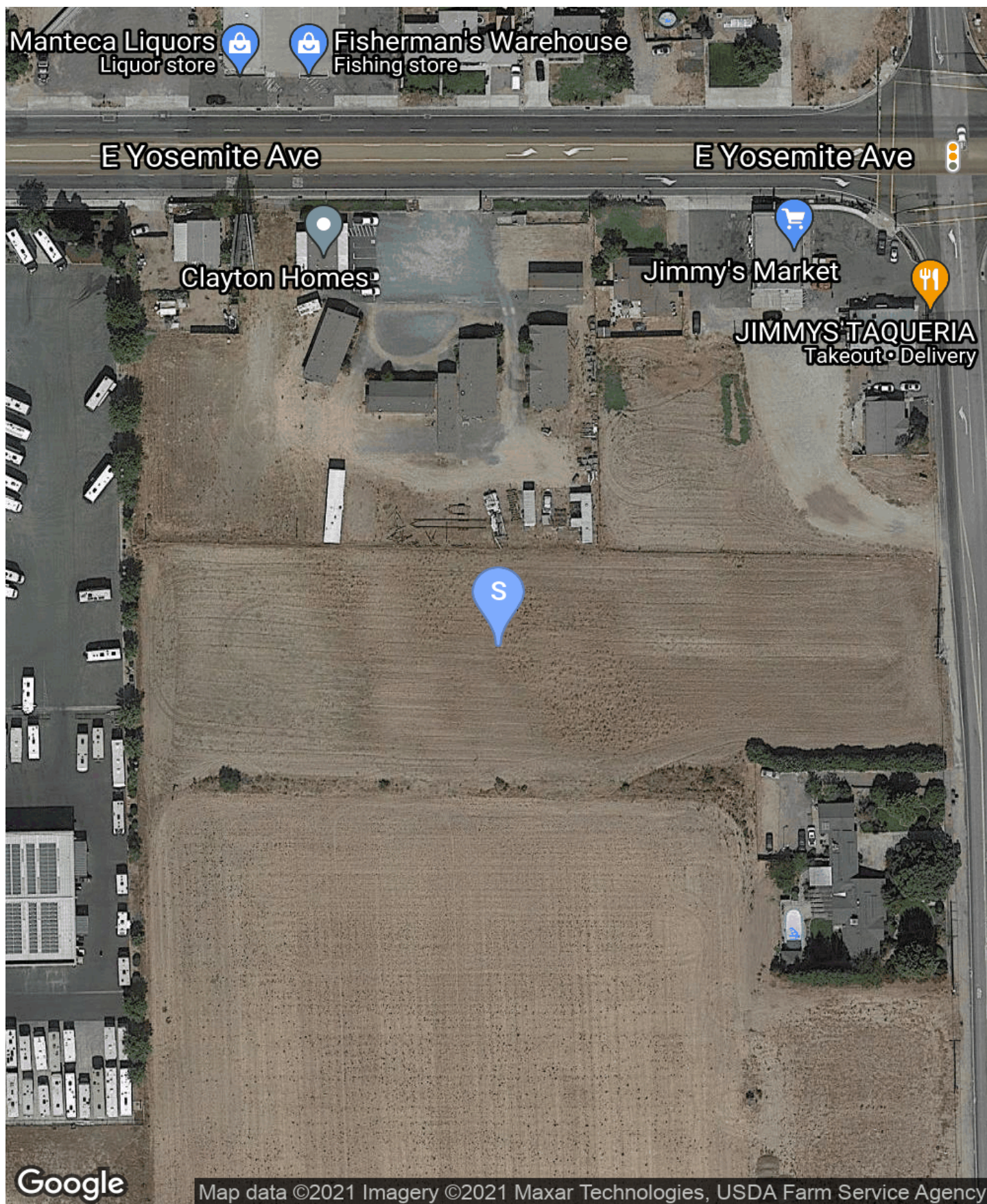
EXPOSURE TIME & MARKETING PERIOD

Exposure Time	Six Months or Less
Marketing Period	Six Months or Less

VALUATION SUMMARY

Stabilized Occupancy (No Concessions)	92.0%
Concluded Average Rent/Unit	\$207/Unit
Potential Gross Income	\$1,020,420
Vacancy (Self-Storage)	8.0%
Concessions	2.0%
Effective Gross Income	\$921,978
Total Expenses	\$337,139
Net Operating Income	\$584,839
Capitalization Rate (OAR)	5.00%
Discount Rate (IRR)	7.25%
Terminal Capitalization Rate	5.50%

VALUATION SUMMARY			
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON COMPLETION	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	SEPTEMBER 9, 2021	JANUARY 15, 2022	JANUARY 15, 2024
INCOME CAPITALIZATION APPROACH			
Discounted Cash Flow (DCF)	-	\$10,250,000	\$11,710,000
DCF \$/Unit	-	\$25,884/Unit	\$29,571/Unit
DCF \$/SF (NRA)	-	\$212.88/SF	\$243.20/SF
Holding Period	-	-	10 Years
Terminal Capitalization Rate	-	-	5.50%
Internal Rate of Return (Cash Flow)	-	-	7.25%
Internal Rate of Return (Reversion)	-	-	7.25%
Direct Capitalization	-	\$10,240,000	\$11,700,000
Direct Capitalization \$/Unit	-	\$25,859/Unit	\$29,545/Unit
Direct Capitalization \$/SF (NRA)	-	\$212.67/SF	\$242.99/SF
Net Operating Income	-	-	\$584,839
NOI \$/Unit	-	-	\$1,477/Unit
NOI \$/SF (NRA)	-	-	\$12.15/SF
Capitalization Rate	-	-	5.00%
INCOME CONCLUSION	-	\$10,240,000	\$11,700,000
Income Conclusion \$/Unit	-	\$25,859/Unit	\$29,545/Unit
Income Conclusion \$/SF (NRA)	-	\$212.67/SF	\$242.99/SF
SALES COMPARISON APPROACH			
SALES CONCLUSION	-	\$10,100,000	\$11,560,000
Sales Conclusion \$/Unit	-	\$25,505/Unit	\$29,192/Unit
Sales Conclusion \$/SF	-	\$209.76/SF	\$240.08/SF
COST APPROACH			
COST CONCLUSION	-	\$9,200,000	\$10,660,000
Cost Conclusion \$/Unit	-	\$23,232/Unit	\$26,919/Unit
Cost Conclusion \$/SF (GBA)	-	\$182.11/SF	\$211.01/SF
FINAL VALUE CONCLUSION			
FINAL VALUE	\$960,000	\$10,240,000	\$11,700,000
Final \$/Unit	\$2,424/Unit	\$25,859/Unit	\$29,545/Unit
Final \$/SF (NRA)	\$19.94/SF	\$212.67/SF	\$242.99/SF
Implied Capitalization Rate	-	-	5.00%
LAND VALUATION			
LAND VALUE	\$960,000	-	-
Value/SF	\$8.00	-	-
OTHER CONCLUSIONS			
Insurable Replacement Cost	\$3,830,000		
Insurable Replacement Cost/Unit	\$9,672/Unit		
Insurable Replacement Cost/SF (GBA)	\$75.81/SF		





EXTERIOR VIEW OF SUBJECT



EXTERIOR VIEW OF SUBJECT



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EXTERIOR VIEW OF SUBJECT

PROPERTY IDENTIFICATION

The subject consists of two adjacent parcels totaling 2.76-acres site 183 South Austin Road in Manteca, California. The developer plans to build a self-storage facility at the subject. These will be metal buildings built on concrete, the improvements are anticipated to finish January of 2022, will be in good/excellent condition and have a remaining economic life of 50 years based on our estimate. The subject is currently a vacant parcel of land, the improvements will include 396 exterior drive-up units with 48,150 NRSF. Two office spaces will be included in the leasing office of the facility (according to building plans). At the front of building A is where the leasing office will be located. The front of this building will be the only two-story building on-site. Note that this stabilized occupancy does not include concessions and credit loss. The subject will be a class A self-storage facility. The assessor's parcel number is: 228-020-460-000.

The legal description of the subject property is as follows:

A portion of the Northeast Quarter (NE 1/4) of the Northeast quarter (NE 1/4) of Section 3, Township 2 South, Range 7 East, Mount Diablo Base and Meridian, in the City of Manteca, County of San Joaquin, State of California, being described as follows:

A portion of that certain parcel described in Deed recorded January 31, 2007, by Document Number 2007-021677, San Joaquin County Records, being more particularly described as follows:

Commencing at the northeast corner of said Section 3, being a bolt and washer in monument well, as shown upon record of survey recorded July 16, 2009 in Book 37 of Surveys, at Page 47, San Joaquin County Records;

Thence South 00° 49' 20" East, 336.90 feet along the east line of said Section 3 to the easterly projection of the north line Parcel Doc. # 2007-021677, as shown on said Survey (37-47); thence North 89° 25' 44" West 40.01 along said easterly projection to the northeast corner of said Parcel Doc. # 2007-021677, being on the westerly right-of-way line of Austin Road and the true point of beginning;

Thence South 00° 49' 20" East 156.52 feet along said westerly right-of-way line of Austin Road; thence leaving said westerly right-of-way line of Austin Road, North 89° 25' 44" West 140.02 feet to a point being 180.00 feet west (measured at right angles) to said east line of Section 3; thence South 00° 49' 20" East 47.29 feet along a line parallel with said east line of Section 3 to the south line of said Parcel Doc. # 2007-021677; thence along the south, west and north line of said Parcel Doc. # 2007-021677 the following three (3) courses:

- (1) North 89° 25' 44" West 482.12 feet to the southwest corner thereof;
- (2) North 00° 50' 44" West 203.81 feet northwest corner thereof;
- (3) South 89° 25' 44" East 622.22 feet the true point of beginning; pursuant to that certain Notice of Lot Line Adjustment recorded January 26, 2018 as Document No. 2018-009008, Official Records.

CLIENT IDENTIFICATION

The client of this specific assignment is Byline Bank.

PURPOSE

The purpose of this appraisal is to develop opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

INTENDED USE

The intended use of this appraisal is for a new SBA loan.

INTENDED USERS

Intended users of this report include Byline Bank and U.S. Small Business Administration. Use of this report by third parties and other unintended users is not permitted. Use of this report by Third-Parties and other unintended users is not permitted. This report must be used in its entirety. Reliance on any portion of the report independent

of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.

ASSIGNMENT DATES

Date of Report	September 15, 2021
Date of Inspection	September 9, 2021
Valuation Date - As-Is	September 9, 2021
Valuation Date - Prospective Upon Completion	January 15, 2022
Valuation Date - Prospective At Stabilization	January 15, 2024

PERSONAL INTANGIBLE PROPERTY

No personal property or intangible items are included in this valuation.

PROPERTY AND SALES HISTORY

If available in the normal course of business, analysis is required for all agreements of sale, options, and listings of the subject property current as of the effective date of appraisal and all sales of the subject that occurred within the three years prior to the effective date of appraisal.

Current Owner

The subject title is currently recorded in the name of John Pinedo, who acquired title to the property on July 28, 2020 as land for \$278,000, as recorded in document number 2020-091056 of the San Joaquin County Deed Records.

Three-Year Sales History

The subject title is currently recorded in the name of John Pinedo, who acquired title to the property on July 28, 2020 as land for \$278,000, as recorded in document number 2020-091056 of the San Joaquin County Deed Records. According to the current owner the transaction was not at arms-length. The previous owner sold it lower than market price with a 10-day close. The difference in value between the sale and our concluded price is due to the conditions of the previous sale and the zoning was changed. A self-storage facility would not conform to the previous zoning, the developer had the zoning changed for a self-storage facility to conform. We feel that the change in value is adequate in the current market.

Subject Sale Status

Research of the applicable public records, private data services and an interview of the current owner and/or broker revealed that the subject property is not under a current agreement of sale or option and is not currently offered for sale on the open market.

DEFINITIONS

This section summarizes the definitions of value, property rights appraised, and value scenarios that are applicable for this appraisal assignment. All other applicable definitions for this assignment are located in the Valuation Glossary section of the Addenda.

DEFINITIONS OF VALUE

Given the scope and intended use of this assignment, the following definition of value is applicable:

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably, and assuming that 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 interests;
3. A reasonable time is allowed for exposure in the open market;
4. Payment is made in terms of cash in United States 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.¹

PROPERTY RIGHTS APPRAISED

The property rights appraised constitute the fee simple interest.

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.²

VALUE SCENARIOS

As-Is Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.³

Prospective Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy.⁴

¹ Office of Comptroller of the Currency (OCC), Title 12 of the Code of Federal Regulation, Part 34, Subpart C - Appraisals, 34.42 (g); Office of Thrift Supervision (OTS), 12 CFR 564.2 (g); This is also compatible with the FDIC, FRS and NCUA definitions of market value.

² The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

³ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁴ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

INTRODUCTION

The appraisal development and reporting processes requires gathering and analyzing information about those assignment elements necessary to properly identify the appraisal problem to be solved. The scope of work decision must include the research and analyses that are necessary to develop credible assignment results given the intended use of the appraisal. Sufficient information includes disclosure of research and analyses performed and might also include disclosure of research and analyses not performed. The scope of work for this appraisal assignment is outlined below:

- › The appraisers analyzed the regional and local area economic profiles including employment, population, household income, and real estate trends. The local area was further studied to assess the general quality and condition, and emerging development trends for the real estate market. The immediate market area was inspected and examined to consider external influences on the subject.
- › The appraisers confirmed and analyzed legal and physical features of the subject property including sizes of the site and improvements, flood plain data, seismic zone, zoning, easements and encumbrances, access and exposure of the site, and construction materials and condition of the improvements. This process also included estimating the remaining economic life of the improvements, analysis of the subject's site coverage and parking ratios compared to market standards, a process to identify deferred maintenance and a conclusion of the subject's overall functional utility.
- › The appraisers completed a self-storage market analysis that included national and local market overviews. The market and sub-market overviews analyzed supply/demand conditions using vacancy, absorption, supply change and rent change statistics. Conclusions were drawn regarding the subject property's competitive position given its physical and locational characteristics, the prevailing economic conditions and external influences.
- › The appraisers conducted a Highest and Best Use analysis, determining the highest and best use of the subject property As-Vacant and As-Proposed. The analysis considered legal, locational, physical and financial feasibility characteristics of the subject property. Development of the Highest and Best Use As-Improved explored potential alternative treatments of the property including demolition, expansion, renovation, conversion, and continued use "as-is."
- › The appraisers confirmed and analyzed financial features of the subject property including historical and budgeted income/expense data, unit mix, and tax and assessment records. This information as well as trends established by confirmed market indicators was used to forecast performance of the subject.
- › In order to select the appropriate valuation methodology, the appraisers considered the scope requirements and assessed the applicability of each traditional approach to value given the characteristics of the subject property and the intended use of the appraisal. As a result, this appraisal developed the Income (Direct Capitalization & Discounted Cash Flow), Sales Comparison and Cost approaches to value. The resulting value indicators were reconciled within the Analysis of Value Conclusions section. The appraisal develops opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate. The reasoning for including or excluding traditional approaches is developed within the Valuation Methodology section.
- › Reporting of this appraisal is in an Appraisal Report format as required in USPAP Standard 2. The appraiser's analysis and conclusions are fully described within this document.
- › We understand the Competency Rule of USPAP and the authors of this report meet the standards.
- › Brayden Shouse provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

SOURCES OF INFORMATION

The following sources were contacted to obtain relevant information:

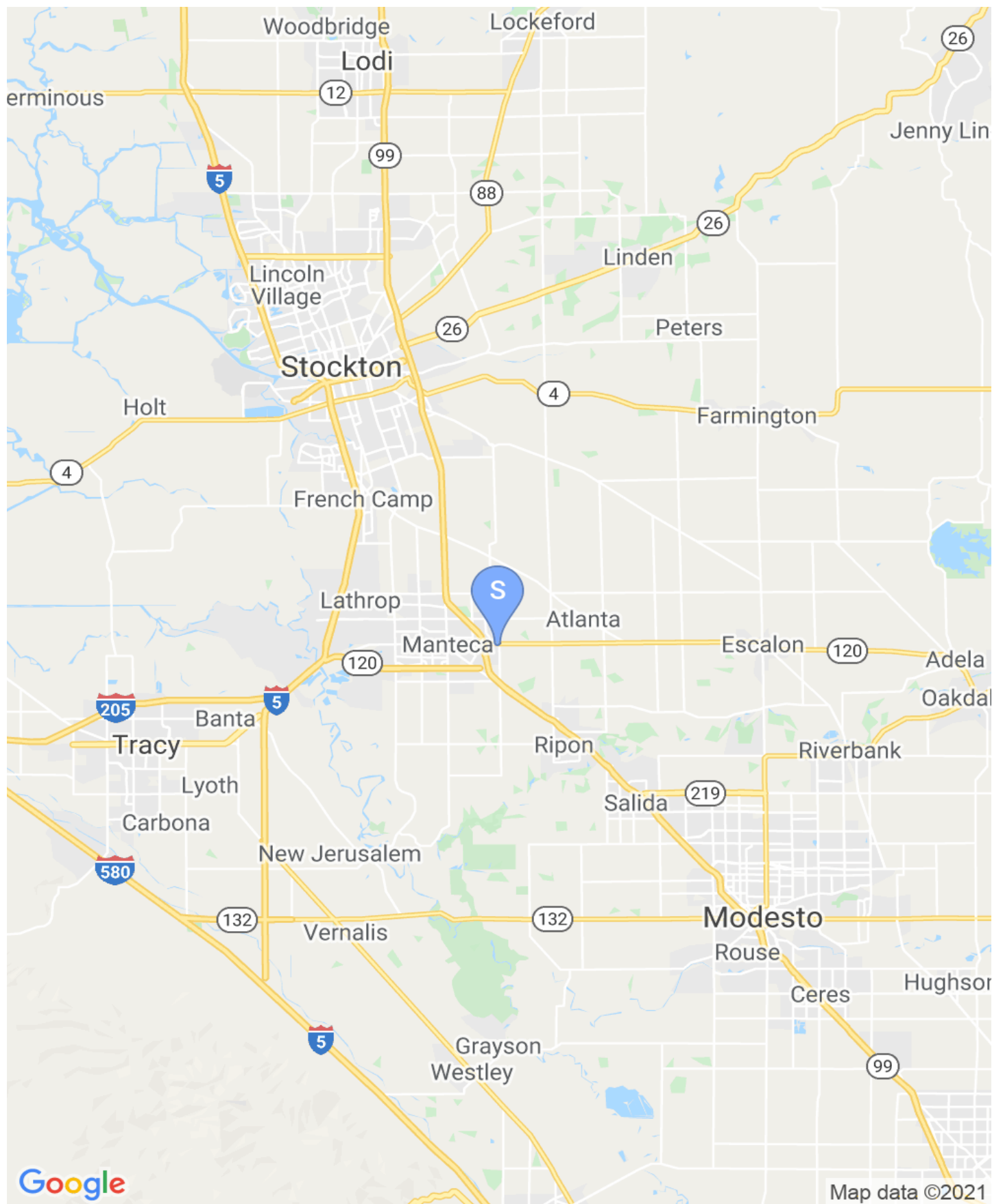
SOURCES OF INFORMATION	
ITEM	SOURCE
Tax Information	San Joaquin County Tax Assessor
Zoning Information	City of Manteca Zoning Code
Site Size Information	San Joaquin County Tax Assessor
Building Size Information	San Joaquin County Tax Assessor
New Construction	City of Manteca / San Joaquin County
Flood Map	InterFlood
Demographics	Pitney Bowes/Gadberry Group - GroundView®
Comparable Information	See Comparable Datasheets for details
Legal Description	Grant Deed from San Joaquin County Recorder
Other Property Data	San Joaquin County Property Records
Rent Roll	Mountian Seed
Income/Expense Statements	Mountian Seed

SUBJECT PROPERTY INSPECTION

The following table illustrates the Colliers International professionals involved with this appraisal report and their status related to the property inspection.

SUBJECT PROPERTY INSPECTION			
APPRAISER	INSPECTED	EXTENT	DATE OF INSPECTION
Jeffrey Shouse, MAI, CRE	Yes	Exterior Only	September 9, 2021
Brayden Shouse	No	-	-

It is our understanding that the remaining (non-inspected) units are in similar condition to those inspected, with no interior deferred maintenance present in the other units.



INTRODUCTION

The Stockton, CA Metropolitan Statistical Area is comprised of San Joaquin County. According to the 2010 census, the population was 685,306. San Joaquin County is bordered by the Sierra Nevada Mountains to the east and the Pacific Coast Range and San Francisco Bay to the west. It is also bordered by Sacramento and Stanislaus counties to the north and south, respectively. There are seven cities in the county, including Stockton, Lathrop, Lodi, Manteca and Tracy. The area's main thoroughfare is Interstate 5. Other highways include Interstates 205 and 580 and State Route 99. The region is served by Stockton Metropolitan Airport, a joint civil-military airport in the southern portion of the city. The San Joaquin Valley first received acclaim for gold discovery, then for world-leading watermelon production, and now for grape production. San Joaquin County, the city of Tracy in particular, is becoming a popular locale for industrial and commercial clients. Fueling this growth are low property prices, expansion out of the Bay Area, freeway access, and residential growth. Stockton has a coordinated network of services that operate in every corner of the world's marketplace. This network integrates several modes of transportation, including ship, rail, truck, plane and pipeline. The area is home to an inland deep-water port on the Sacramento River and is serviced by a highway system adjacent to the port. The Port of Stockton can service approximately 70 percent of the Pacific maritime fleet.



DEMOGRAPHIC ANALYSIS

The following is a demographic study of the region sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of geographical areas. Demographic changes are often highly correlated to changes in the underlying economic climate. Periods of economic uncertainty necessarily make demographic projections somewhat less reliable than projections in more stable periods. These projections are used as a starting point, but we also consider current and localized market knowledge in interpreting them within this analysis. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

Population

According to Pitney Bowes/Gadberry Group - GroundView®, a Geographic Information System (GIS) Company, the Stockton metropolitan area had a 2020 total population of 770,631 and experienced an annual growth rate of 1.2%, which was higher than the California annual growth rate of 0.7%. The metropolitan area accounted for 1.9% of the total California population (39,772,850). Within the metropolitan area the population density was 541 people per square mile compared to the lower California population density of 252 people per square mile and the lower United States population density of 92 people per square mile.

POPULATION			
YEAR	US	CA	CBSA
2010 Total Population	308,745,538	37,253,956	685,306
2020 Total Population	330,412,290	39,772,850	770,631
2025 Total Population	341,167,877	41,062,219	813,207
2010 - 2020 CAGR	0.7%	0.7%	1.2%
2020 - 2025 CAGR	0.6%	0.6%	1.1%

Source: Pitney Bowes/Gadberry Group - GroundView®

POPULATION DENSITY			
YEAR	US	CA	CBSA
2020 Per Square Mile	92	252	541
2025 Per Square Mile	95	260	571

Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median age for the metropolitan area was 34.42, which was 11.08% younger than the United States median age of 38.24 for 2020. The median age in the metropolitan area is anticipated to grow by 0.43% annually, increasing the median age to 35.17 by 2025.

MEDIAN AGE			
YEAR	US	CA	CBSA
2020	38.24	36.82	34.42
2025	38.97	37.51	35.17
CAGR	0.38%	0.37%	0.43%

Source: Pitney Bowes/Gadberry Group - GroundView®

Education

The Stockton, CA MSA is home to the University of the Pacific, a private university offering both undergraduate and graduate degree programs to an enrollment of approximately 6,700 students annually. The University of the Pacific has 11 schools and colleges, including the School of Engineering and Computer Science, the School of International Studies and the Eberhardt School of Business.

Household Trends

The 2020 number of households in the metropolitan area was 228,089. The number of households in the metropolitan area is projected to grow by 0.6% annually, increasing the number of households to 235,517 by 2025. The 2020 average household size for the metropolitan area was 3.31, which was 28.08% larger than the United States average household size of 2.58 for 2020. The average household size in the metropolitan area is anticipated to grow by 0.43% annually, increasing the average household size to 3.38 by 2025.

NUMBER OF HOUSEHOLDS			
YEAR	US	CA	CBSA
2020	124,774,359	12,950,743	228,089
2025	128,904,424	13,201,571	235,517
CAGR	0.7%	0.4%	0.6%

Source: Pitney Bowes/Gadberry Group - GroundView®

AVERAGE HOUSEHOLD SIZE			
YEAR	US	CA	CBSA
2020	2.58	3.01	3.31
2025	2.58	3.05	3.38
CAGR	0.00%	0.27%	0.43%

Source: Pitney Bowes/Gadberry Group - GroundView®

The Stockton metropolitan area had 40.59% renter occupied units, compared to the higher 44.00% in California and the lower 34.78% in the United States.

HOUSING UNITS			
	US	CA	CBSA
Owner Occupied	65.22%	56.00%	59.41%
Renter Occupied	34.78%	44.00%	40.59%

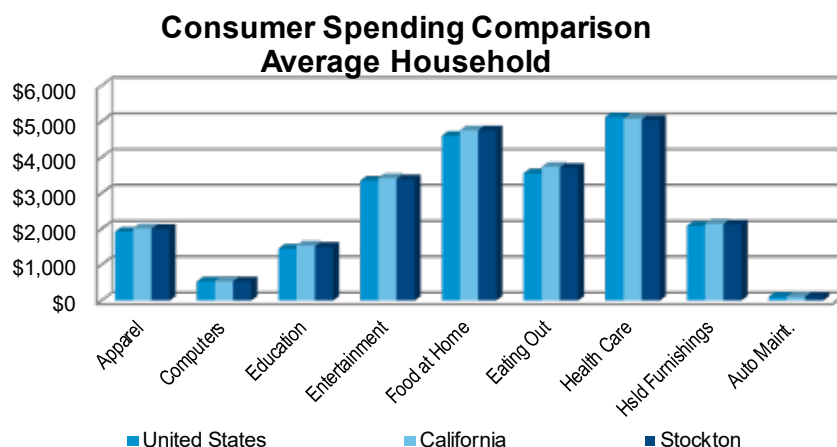
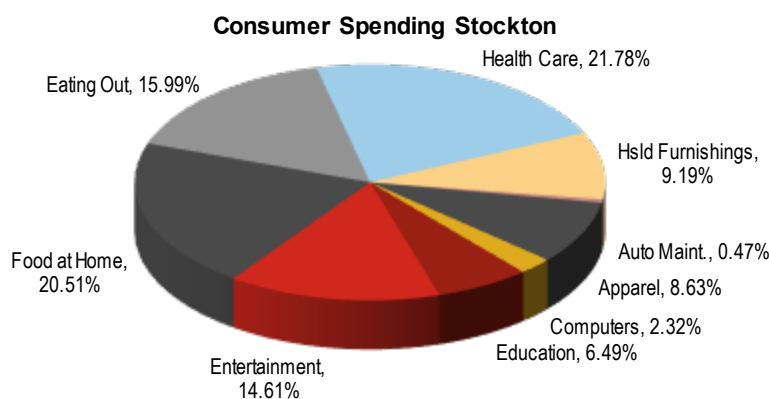
Source: Pitney Bowes/Gadberry Group - GroundView®

The 2020 median household income for the metropolitan area was \$63,090, which was 0.4% higher than the United States median household income of \$62,847. The median household income for the metropolitan area is projected to grow by 3.6% annually, increasing the median household income to \$75,178 by 2025.

As is often the case when the median household income levels are higher than the national average, the cost of living index is also higher. According to the American Chamber of Commerce Researchers Association (ACCRA) Cost of Living Index, the Stockton, CA MSA's cost of living is 119.7 compared to the national average score of 100. The ACCRA Cost of Living Index compares groceries, housing, utilities, transportation, health care and miscellaneous goods and services for over 300 urban areas.

MEDIAN HOUSEHOLD INCOME			
YEAR	US	CA	CBSA
2020	\$62,847	\$74,275	\$63,090
2025	\$75,115	\$89,168	\$75,178
CAGR	3.6%	3.7%	3.6%

Source: Pitney Bowes/Gadberry Group - GroundView®



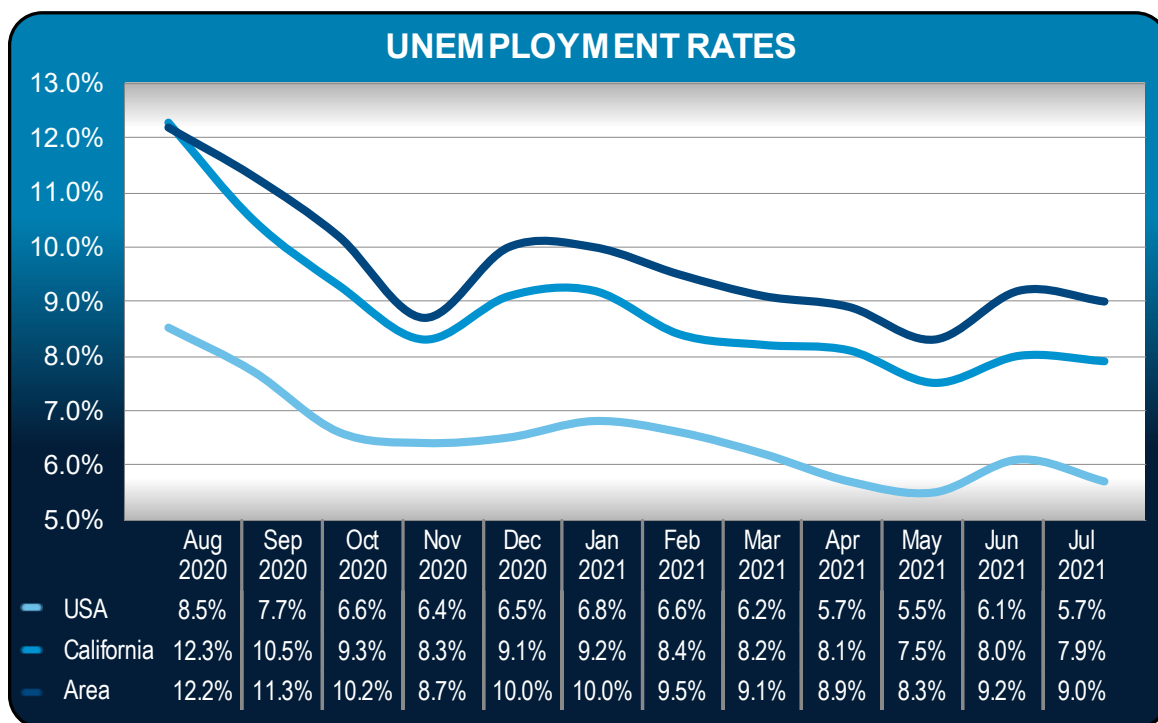
EMPLOYMENT

Total employment has increased annually over the past decade in the state of California by 0.5% and increased annually by 1.4% in the area. From 2019 to 2020 unemployment increased in California by 5.9% and increased by 5.3% in the area. In the state of California unemployment has decreased over the previous month by 0.1% and decreased by 0.2% in the area.

EMPLOYMENT & UNEMPLOYMENT STATISTICS 2011 - 2020

TOTAL EMPLOYMENT					UNEMPLOYMENT RATE		
Year	California		Stockton-Lodi, CA Metropolitan Statistical Area		United States*	California	Stockton-Lodi, CA Metropolitan Statistical Area
	Total	% Δ Yr Ago	Total	% Δ Yr Ago			
2011	16,220,602	0.9%	259,969	0.2%	8.9%	11.9%	16.5%
2012	16,541,039	2.0%	265,990	2.3%	8.1%	10.5%	14.6%
2013	16,887,864	2.1%	273,256	2.7%	7.4%	9.0%	12.5%
2014	17,264,518	2.2%	278,342	1.9%	6.2%	7.6%	10.7%
2015	17,647,409	2.2%	286,281	2.9%	5.3%	6.3%	8.9%
2016	17,965,407	1.8%	292,367	2.1%	4.9%	5.5%	8.2%
2017	18,246,813	1.6%	300,411	2.8%	4.4%	4.8%	7.0%
2018	18,442,405	1.1%	304,277	1.3%	3.9%	4.3%	6.1%
2019	18,550,526	0.6%	306,904	0.9%	3.7%	4.2%	6.0%
2020	16,913,078	(8.8%)	294,454	(4.1%)	8.1%	10.1%	11.3%
CAGR	0.5%	-	1.4%	-	-	-	-

Source: U.S. Bureau of Labor Statistics *Unadjusted Non-Seasonal Rate



The preceding chart depicts unemployment trends in the region, California and the U.S. Overall levels of unemployment in the region experienced minor fluctuations throughout the past three months. By the end of July 2021, unemployment in the region was 1.1% higher than California's and 3.3% higher than the national average.

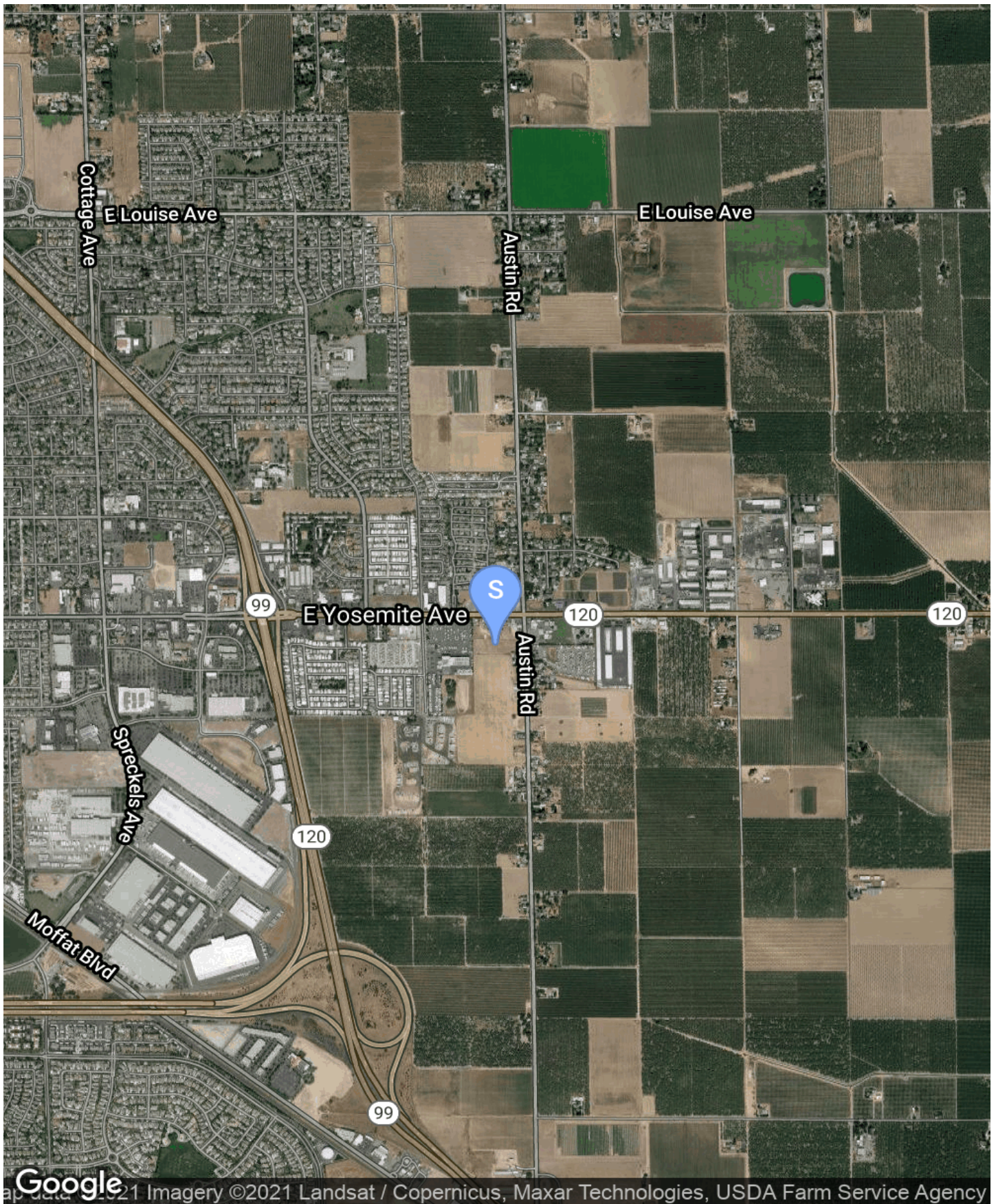
TOP EMPLOYERS		
EMPLOYER NAME	EMPLOYEES	INDUSTRY
Blue Shield of California	5,000-9,999	Healthcare/Social Assistance
A Sambado & Sons, Inc.	1,000-4,999	Wholesale/Retail Trade
Amazon Fulfillment Center	1,000-4,999	Transportation/Warehousing
Dameron Hospital	1,000-4,999	Healthcare/Social Assistance
Deuel Vocational Institution	1,000-4,999	Public Administration
Leprino Foods Company	1,000-4,999	Manufacturing
Lodi Health Home Health Agency	1,000-4,999	Healthcare/Social Assistance
Lodi Memorial Hospital	1,000-4,999	Healthcare/Social Assistance
Foster Care SVC	500-999	Healthcare/Social Assistance
Morada Produce	500-999	Agriculture/Forestry

Source: <http://www.labormarketinfo.edd.ca.gov>

The preceding chart depicts the top employers in San Joaquin County. Principal employers are spread throughout diverse sectors, including healthcare/social assistance, wholesale/retail trade, and transportation/warehousing. Blue Shield of California, the HMO and PDP plan, is one of the largest employers in the county. Another top employer is A Sambado & Sons, Inc., which operates retail nurseries and garden stores. The company provides various types of deciduous trees including fruit trees, citrus trees, and tropical fruit trees. A Sambado & Sons, Inc. also offers various gardening tools and products. Amazon Fulfillment Center, the warehousing division of the internet retail and cloud computing company Amazon, is also among the largest employers in San Joaquin County.

SUMMARY

The Stockton, CA MSA has traditionally been an agriculturally based economy; however, logistics and manufacturing have become important aspects of the economy in recent years. The county has a strategic location in proximity to Sacramento County and the San Francisco Bay Area, as well as efficient transportation networks. The positive features of San Joaquin County are considered sufficient in maintaining the region as a desirable commercial and economic center and serve as a means of fostering economic growth.



INTRODUCTION

In this section of the report, we provide details about the local area and describe the influences that bear on the real estate market as well as the subject property. A map of the local area is presented on the prior page. Below are insights into the local area based on fieldwork, interviews, demographic data and experience working in this market.

LOCAL AREA PROFILE

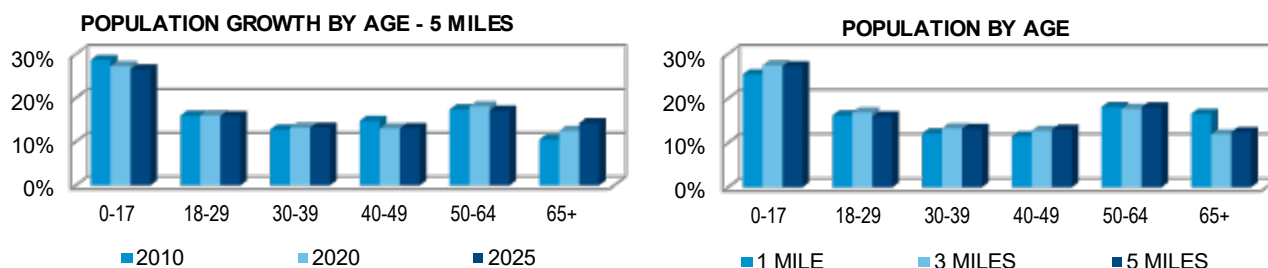
The subject property is in Manteca, California, within San Joaquin County. According to the 2010 census, the population was 67,096. The city is in the south of the county, approximately 15 miles southeast of Stockton and 18 miles northwest of Modesto. State routes 99 and 120 intersect the city, providing easy access to Interstate 5. Air transportation is provided by Stockton Metropolitan Airport, approximately eight miles north of Manteca's central business district.

DEMOGRAPHIC PROFILE

Below is a demographic study of the area, sourced by *Pitney Bowes/Gadberry Group - GroundView®*, an on-line resource center that provides information used to analyze and compare the past, present, and future trends of properties and geographical areas. Please note that our demographics provider sets forth income projections in constant dollars which, by definition, reflect projections after adjustment for inflation. We are aware of other prominent demographic data providers that project income in current dollars, which do not account for inflation. A simple comparison of projections for a similar market area made under the constant and current dollar methodologies can and likely will produce data points that vary, in some cases, widely. Further, all forecasts, regardless of demographer methodology(ies), are subjective in the sense that the reliability of the forecast is subject to modeling and definitional assumptions and procedures.

LOCAL AREA DEMOGRAPHICS							
DESCRIPTION	1 MILE	3 MILES	5 MILES	DESCRIPTION	1 MILE	3 MILES	5 MILES
POPULATION				AVERAGE HOUSEHOLD INCOME			
2000 Population	3,271	37,033	64,529	2020	\$72,125	\$83,903	\$94,521
2010 Population	4,347	45,872	84,642	2025	\$89,490	\$101,853	\$115,207
2020 Population	4,713	54,034	103,129	Change 2020-2025	24.08%	21.39%	21.89%
2025 Population	4,850	57,773	112,501	MEDIAN HOUSEHOLD INCOME			
Change 2000-2010	32.90%	23.87%	31.17%	2020	\$45,538	\$61,694	\$72,692
Change 2010-2020	8.42%	17.79%	21.84%	2025	\$56,386	\$73,800	\$86,137
Change 2020-2025	2.91%	6.92%	9.09%	Change 2020-2025	23.82%	19.62%	18.50%
POPULATION 65+				PER CAPITA INCOME			
2010 Population	755	4,857	8,890	2020	\$25,216	\$25,597	\$29,309
2020 Population	781	6,438	12,846	2025	\$30,551	\$30,318	\$35,063
2025 Population	894	7,767	16,041	Change 2020-2025	21.16%	18.45%	19.63%
Change 2010-2020	3.44%	32.55%	44.50%	2020 HOUSEHOLDS BY INCOME			
Change 2020-2025	14.47%	20.64%	24.87%	<\$15,000	6.4%	7.5%	6.4%
NUMBER OF HOUSEHOLDS				\$15,000-\$24,999	19.7%	10.1%	8.3%
2000 Households	1,293	12,546	21,235	\$25,000-\$34,999	21.8%	10.1%	8.4%
2010 Households	1,605	14,899	27,462	\$35,000-\$49,999	5.0%	14.1%	12.3%
2020 Households	1,618	16,379	31,699	\$50,000-\$74,999	12.7%	15.6%	16.0%
2025 Households	1,625	17,089	33,956	\$75,000-\$99,999	9.8%	12.0%	13.8%
Change 2000-2010	24.13%	18.75%	29.32%	\$100,000-\$149,999	15.4%	19.0%	19.5%
Change 2010-2020	0.81%	9.93%	15.43%	\$150,000-\$199,999	5.1%	6.8%	8.6%
Change 2020-2025	0.43%	4.33%	7.12%	\$200,000 or greater	4.3%	4.8%	6.7%
HOUSING UNITS (2020)				MEDIAN HOME VALUE			
Owner Occupied	892	9,654	20,608	2020	\$212,745	\$333,832	\$365,220
Renter Occupied	727	6,731	11,088	AVERAGE HOME VALUE			
HOUSING UNITS BY YEAR BUILT				2020	\$227,904	\$365,387	\$399,934
Built 2010 or later	1	905	2,694	HOUSING UNITS BY UNITS IN STRUCTURE			
Built 2000 to 2009	460	3,859	8,299	1, detached	633	12,605	25,588
Built 1990 to 1999	208	1,765	4,302	1, attached	83	474	795
Built 1980 to 1989	244	2,093	5,049	2	0	233	409
Built 1970 to 1979	488	3,040	4,533	3 or 4	191	694	1,071
Built 1960 to 1969	132	1,940	2,604	5 to 9	44	370	784
Built 1950 to 1959	52	1,661	2,284	10 to 19	56	434	546
Built 1940 to 1949	3	631	1,044	20 to 49	43	438	689
Built 1939 or earlier	32	484	890	50 or more	120	384	699
				Mobile home	450	746	1,086
				Boat, RV, van, etc.	0	8	29

Source: Pitney Bowes/Gadberry Group - GroundView®



Transportation Routes

Major traffic arteries are shown in the chart below:

MAJOR ROADWAYS & THOROUGHFARES			
HIGHWAY	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
State Route 120	east-west	Local Highway	This is within a quarter mile of the subject property.
State Route 99	north-south	Local Highway	This is within one mile of the subject property.
Interstate 5	north-south	Interstate Highway	This is within nine miles of the subject property.
SURFACE STREETS	DIRECTION	FUNCTION	DISTANCE FROM SUBJECT
South Austin Road	north-south	Secondary Arterial	The subject property fronts this street.

Public transportation is not available near the subject property. Train service is provided at Lathrop/Manteca Ace Station.

Economic Factors

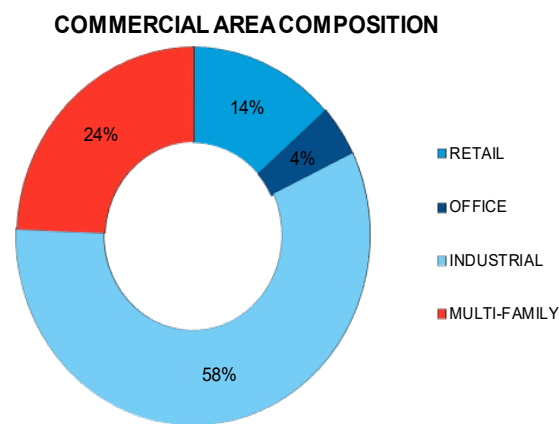
Manteca is a suburban community for the Stockton, CA metropolitan area. Due to the residential nature of the city, there is a high dependency on revenue generated by residential property taxes, and the influence exerted by the regional economy. The local economy relies on retail services, and small office properties. Retail presence consists of restaurants, big-box stores, lodging, and locally owned businesses.

IMMEDIATE AREA PROFILE

This section discusses uses and development trends in the immediate area that directly impact the performance and appeal of the subject property.

Predominant Land Uses

Significant development in the immediate area consists of retail and industrial uses along major arterials that are interspersed with multi-family complexes and single-family residential development removed from arterials. The local area has a mix of commercial uses nearby and the composition is shown in the graph.



Residential Development

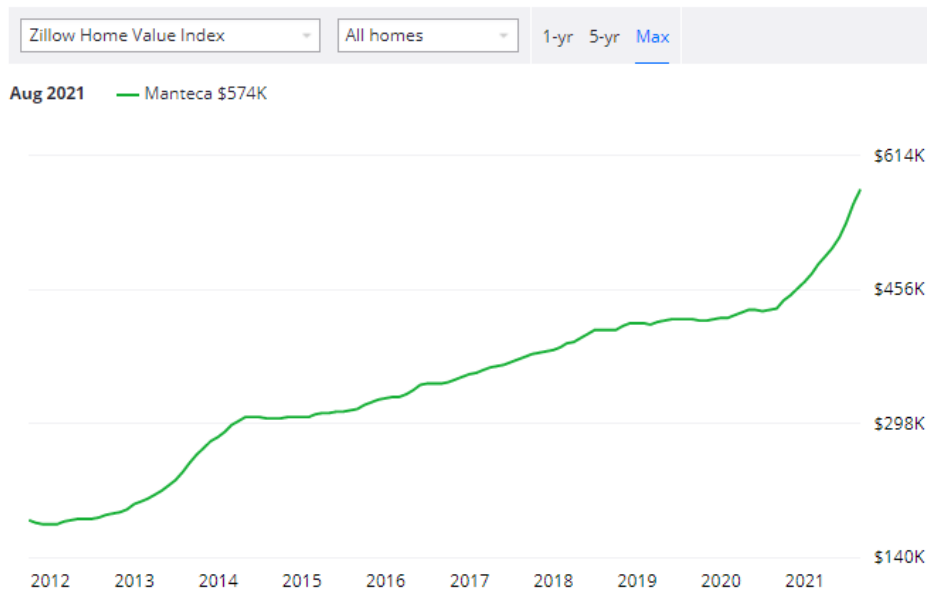
Storage customers are frequently divided into four distinct categories: commercial, residential, military, and student renters. Residential renters typically make up the bulk of self-storage customers nationwide. **According to the Self-Storage Almanac, approximately 79% of self-storage tenants are residential.** The typical home value of homes in Manteca is \$574,952. This value is seasonally adjusted and only includes the middle price tier of homes. Manteca home values have gone up 32.3% over the past year. There are two new residential developments being built in the Manteca area, Domain at Terra Ranch and Fox at Woodward. These new developments will bring in several hundred new homes.

Manteca Market Overview

Data through Aug 31, 2021

\$574,952 ZHVI

No data 1-yr forecast



Multi-Family Development

The following chart shows a summary of multi-family data by type in the immediate area from CoStar.

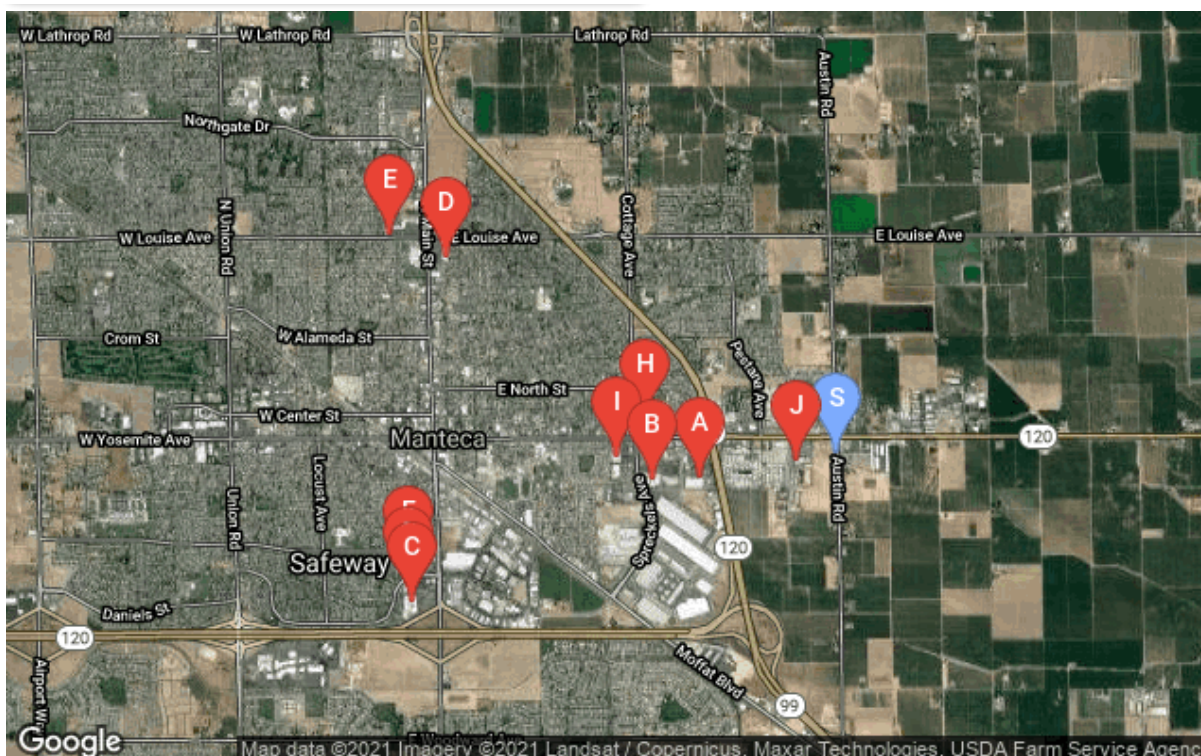
MULTI-FAMILY SUMMARY			
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT
A	2	140,898	2019
B	29	616,210	1968
C	82	1,135,861	1968
TOTAL	113	1,892,969	1969

Source: CoStar

The largest three multi-family properties are at 801 East Atherton Drive, 1820 Pennebaker Way and 1201 Atherton Drive with an NRA of 586,128 SF, 198,870 SF and 136,553 SF, respectively. The closest large multi-family property in proximity to the subject is the second property which is detailed above. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest multi-family properties in the immediate area from CoStar.

LARGEST MULTI-FAMILY PROPERTIES						
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	STORIES	YEAR BUILT
Paseo Villas Apartments	1.6 Miles	A	C	586,128	3	2006
Multi-family Building	0.6 Miles	B	B	198,870	2	1985
Multi-family Building	1.3 Miles	C	A	136,553	-	-
Multi-family Building	0.8 Miles	D	C	115,420	2	1985
Multi-family Building	2.6 Miles	E	B	60,480	2	1986
Multi-family Building	1.8 Miles	F	B	45,016	2	1985
Multi-family Building	1.3 Miles	G	B	42,371	1	1964
Multi-family Building	2.1 Miles	H	B	40,350	2	2010
Multi-family Building	2.2 Miles	I	B	36,388	-	1985
Stewart Apartments	1.5 Miles	J	C	31,080	2	1970

Source: CoStar



Office Development

The following chart shows a summary of office data by class in the immediate area from CoStar.

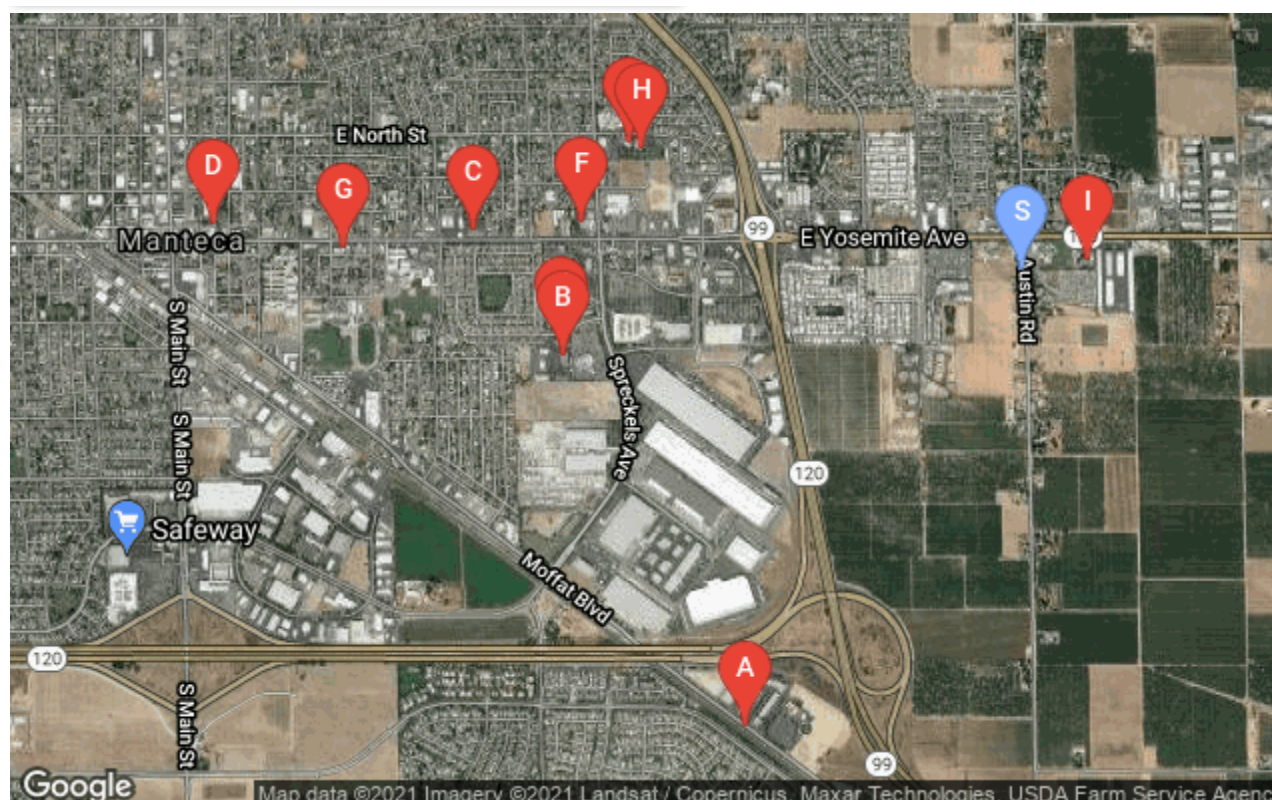
OFFICE SUMMARY					
CLASS	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
B	18	212,609	1981	99.1	-
C	31	126,529	1961	96.8	-
TOTAL	49	339,138	1968	97.6	\$0.00

Source: CoStar

The largest three office properties are at 1455 Moffat Boulevard, 1144 Norman Drive and 965 East Yosemite Avenue with an NRA of 60,000 SF, 20,410 SF and 18,699 SF, respectively. The closest large office property in proximity to the subject is at 178 South Austin Road with an NRA of 10,107 SF. The majority of properties were constructed before 2000. The following chart and map show the subject property and its location relative to the 10 largest office properties in the immediate area from CoStar.

LARGEST OFFICE BUILDINGS							
NAME	DISTANCE	MAP PIN	CLASS	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Manteca Commerce Park	1.2 Miles	A	B	60,000	100.0	-	N/Av
Office Building	1.1 Miles	B	B	20,410	100.0	2007	N/Av
Office Building	1.3 Miles	C	B	18,699	83.4	-	N/Av
Office Building	1.9 Miles	D	C	17,600	100.0	-	N/Av
Office Building	1.0 Miles	E	B	16,384	100.0	-	N/Av
Office Building	1.0 Miles	F	C	10,764	100.0	1982	N/Av
Office Building	1.6 Miles	G	B	10,700	100.0	-	N/Av
Office Building	0.9 Miles	H	B	10,564	100.0	1986	N/Av
Office Building	0.2 Miles	I	B	10,107	100.0	-	N/Av
Office Building	1.1 Miles	J	B	9,937	100.0	2007	N/Av

Source: CoStar



Industrial Development

The following chart shows a summary of industrial data by type in the immediate area from CoStar.

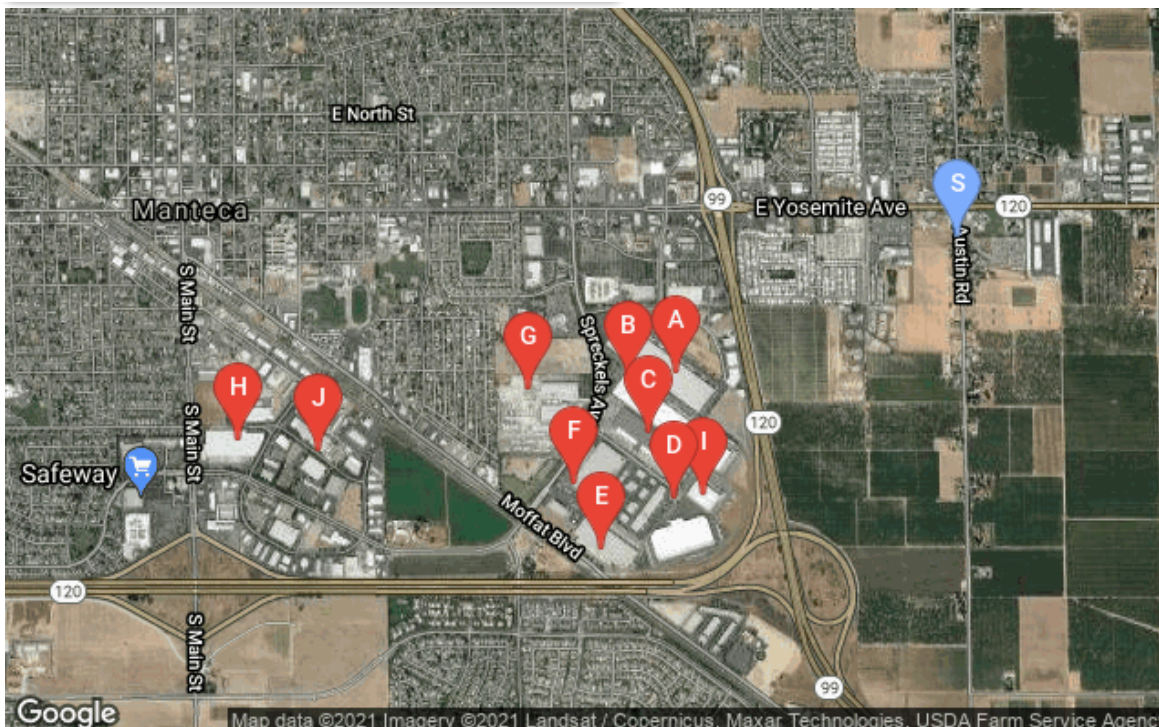
INDUSTRIAL SUMMARY					
TYPE	PROPERTIES	NRA (SF)	AVG YR BLT	OCCUPANCY	AVG RENT
Industrial	107	4,480,823	1994	97.8	\$10.36
Flex	1	1,491	1989	100.0	-
TOTAL	108	4,482,314	1994	97.8	\$10.36

Source: CoStar

The largest three industrial properties are at 1260 Phoenix Drive, 600 Spreckels Avenue and 730 Spreckels Avenue with an NRA of 608,500 SF, 552,467 SF and 332,372 SF that were built in 2002, 1999 and 2005, respectively. The closest large industrial property in proximity to the subject is the first property which is detailed above. The majority of properties were constructed after 2000. The following chart and map show the subject property and its location relative to the 10 largest industrial properties in the immediate area from CoStar.

LARGEST INDUSTRIAL PROPERTIES							
NAME	DISTANCE	MAP PIN	TYPE	NRA (SF)	% LEASED	YEAR BUILT	AVG RENT
Industrial Building	0.8 Miles	A	Industrial	608,500	100.0	2002	N/Av
Industrial Building	0.9 Miles	B	Industrial	552,467	100.0	1999	N/Av
Industrial Building	0.9 Miles	C	Industrial	332,372	100.0	2005	N/Av
Industrial Building	1.0 Miles	D	Industrial	286,072	46.2	2018	N/Av
Industrial Building	1.2 Miles	E	Industrial	266,720	100.0	1999	N/Av
Spreckels Park	1.2 Miles	F	Industrial	253,560	100.0	2001	N/Av
Industrial Building	1.2 Miles	G	Industrial	178,500	100.0	-	N/Av
Industrial Building	1.9 Miles	H	Industrial	113,000	100.0	-	N/Av
Industrial Building	0.9 Miles	I	Industrial	97,200	100.0	2005	N/Av
Manteca Industrial Park	1.7 Miles	J	Industrial	92,000	100.0	1987	N/Av

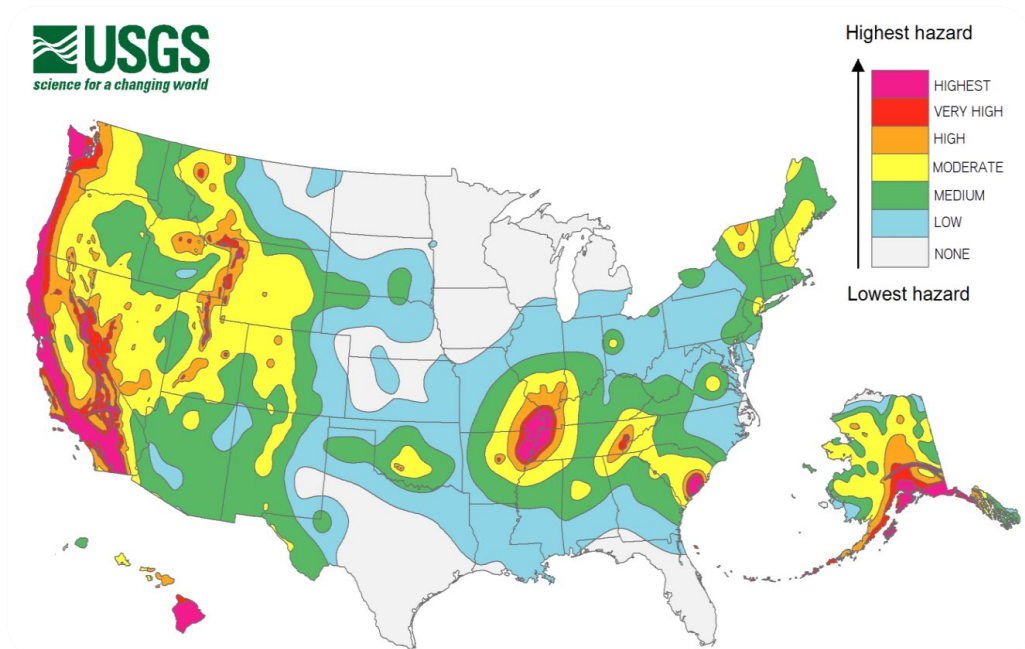
Source: CoStar



SUMMARY

Manteca benefits from its convenient location near notable economic hubs, in addition to having an easy access to well-traveled transportation networks. The city has a stable economy supported by ongoing residential developments and large sources of employment in the education and healthcare sectors. The condition and appeal of the market area is good.

General Description	The subject site consists of 1 parcel. As noted below, the subject site has 120,225 SF (2.76 AC) of land area. The area is estimated based on the assessor's parcel map, and may change if a professional survey determines more precise measurements. Going forward, our valuation analyses will utilize the usable site area. The following table and discussion summarizes the subject site size, as well as other characteristics.								
Assessor Parcel	228-020-460-000								
Number Of Parcels	1								
Land Area	Acres	Square Feet							
Primary Parcel	2.76	120,225							
Excess Land	0.00	0							
Surplus Land	0.00	0							
Total Land Area	2.76	120,225							
Shape	Irregular - See Plat Map For Exact Shape								
Topography	Level at street grade								
Zoning	General Commercial (GC)								
Drainage	Assumed Adequate								
Utilities	All available to the site								
Street Improvements	Street	Direction	No. Lanes	Street Type	Curbs	Sidewalks	Streetsights	Center Lane	Gutters
South Austin Road	Secondary Street	two-way	two-lane	minor arterial	✓	✓	✓	✓	
Frontage	The subject has approximately 160 feet of frontage on South Austin Road.								
Accessibility	Average/Good - The subject is within one-quarter mile of State Route 120 and within one mile of State Route 99. Access to the subject is offered on South Austin Road.								
Exposure	Average - The subject has adequate exposure on a minor arterial.								
Soils	A detailed soils analysis was not available for review. Based on the development of the subject, it appears the soils are stable and suitable for the existing improvements.								
Hazardous Waste	We have not conducted an independent investigation to determine the presence or absence of toxins on the subject property. If questions arise, the reader is strongly cautioned to seek qualified professional assistance in this matter. Please see the Assumptions and Limiting Conditions for a full disclaimer.								
Seismic	The subject is in a moderate risk zone.								



Flood Zone

Zone X (Unshaded). This is referenced by Community Number 060706, Panel Number 06077C0645F, dated October 16, 2009. Zone X (unshaded) is a moderate and minimal risk area. Areas of moderate or minimal hazard are studied based upon the principal source of flood in the area. However, buildings in these zones could be flooded by severe, concentrated rainfall coupled with inadequate local drainage systems. Local stormwater drainage systems are not normally considered in a community's flood insurance study. The failure of a local drainage system can create areas of high flood risk within these zones. Flood insurance is available in participating communities, but is not required by regulation in these zones. Nearly 25-percent of all flood claims filed are for structures located within these zones. Minimal risk areas outside the 1-percent and .2-percent-annual-chance floodplains. No BFEs or base flood depths are shown within these zones. (Zone X (unshaded) is used on new and revised maps in place of Zone C.)

Easements

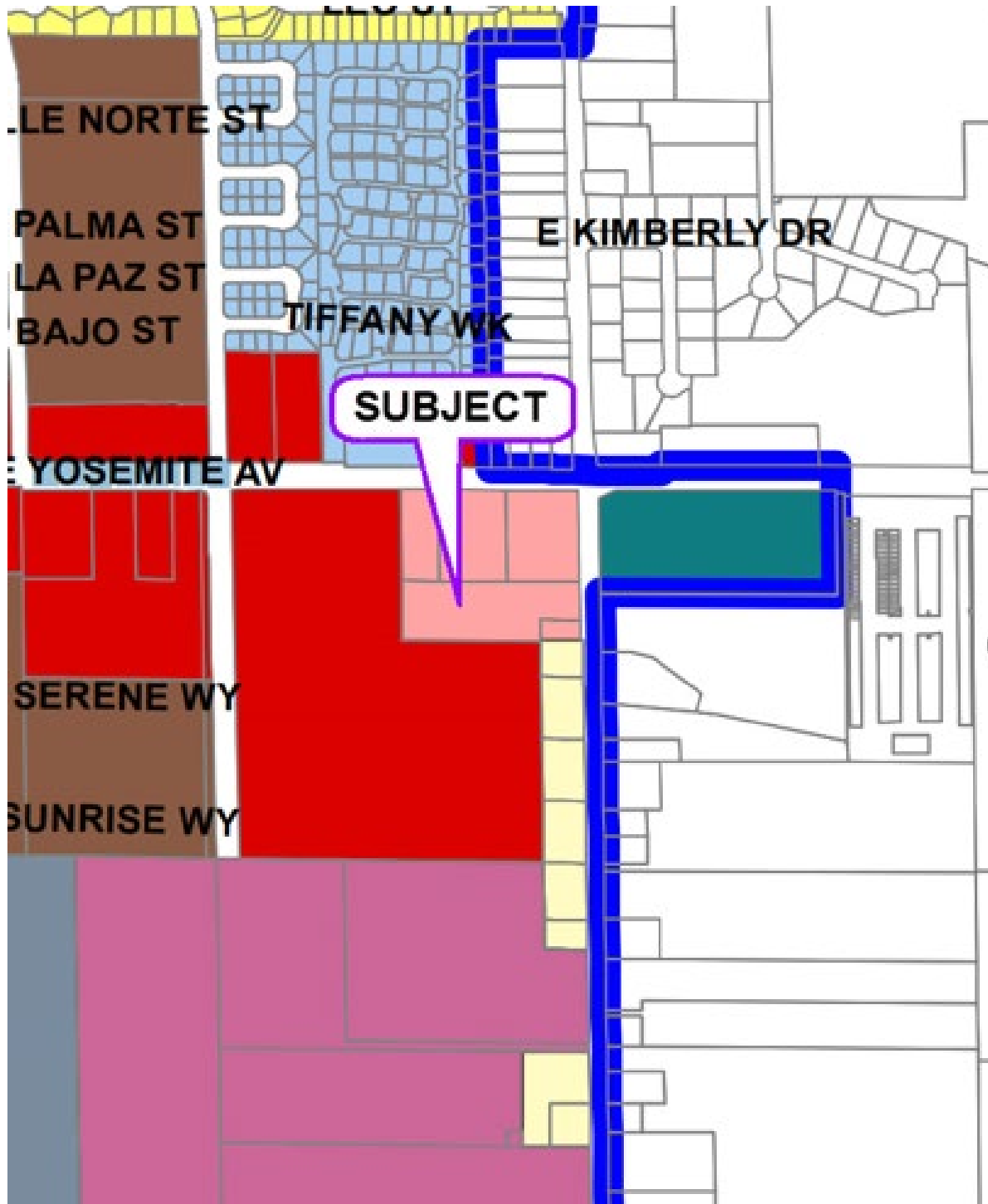
A preliminary title report was not available for review. During the on-site inspection, no adverse easements or encumbrances were noted. This appraisal assumes that there is no negative value impact on the subject improvements. If questions arise regarding easements, encroachments, or other encumbrances, further research is advised.

Conclusion

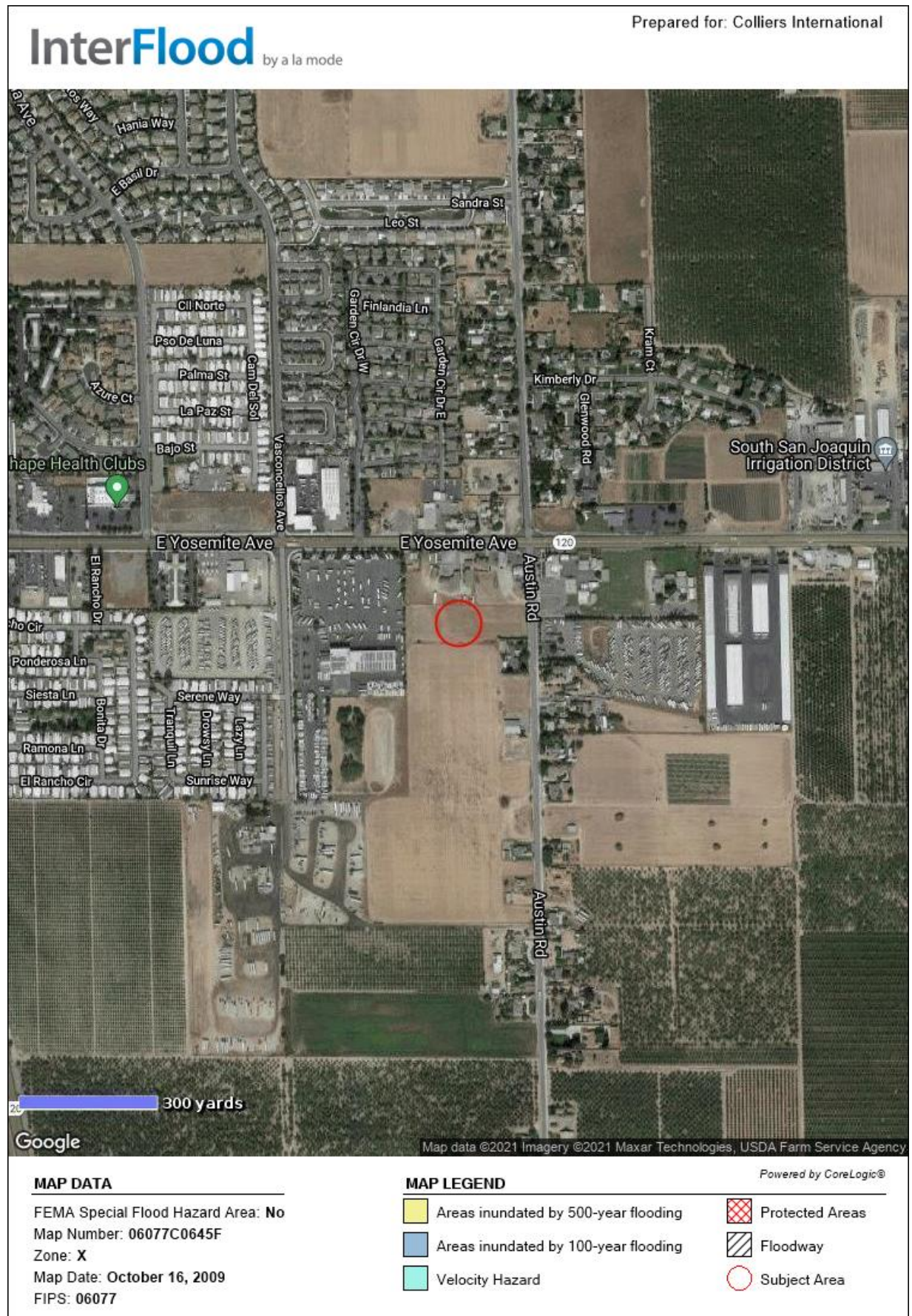
Overall, the subject site is considered a good self-storage site in terms of its location, exposure, and access to employment, residential areas and prospective tenants. All of these characteristics provide supporting uses for the subject site making it desirable for self-storage development. Overall there are no known factors that would limit the site's development according to its highest and best use.

Bk. 208
 THIS MAP FOR ASSESSMENT PURPOSES
 ROUTE NO. 2
SUBJECT
 Parcel: 228-020-460-000
 VASCONCELLOS AVE. 1285.36'
 16 17 18 46 47 48 49 50 51
 26.19 ACS.
 577.99' 445.00' 698.93' 200'
 132' 235.02' 132' 235.02' 285' 233.00' 198.14' 150.02' 217.69' 150.02' 216.88' 150.02' 216.48' 150.06'
 320' 320' 320' 203.81' 2.76 ACS. 622.22' 140.02' 47.29' 482.12' 70'

ZONING MAP



FLOOD MAP



The site plan illustrates the proposed 10-story office building at 1000 West 10th Street. The building is a rectangular structure with a footprint of 100.00' by 200.00'. It is surrounded by parking spaces and access roads. The plan also shows the existing 10-story building at 1000 West 10th Street, which is a rectangular structure with a footprint of 100.00' by 200.00'. The surrounding streets are 10th Street to the north, 11th Street to the south, 1000 West 10th Street to the east, and 1000 West 11th Street to the west. The plan includes dimensions for the building, parking spaces, and access roads, as well as a north arrow and a scale bar.

Introduction

The information presented below is a basic description of the proposed improvements. This information is used in the valuation of the property. Reliance has been placed upon information provided by sources deemed dependable for this analysis. It is assumed that there will be no hidden defects, and that all structural components will be functional and operational, unless otherwise noted. If questions arise regarding the integrity of the improvements or their operational components, it may be necessary to consult additional professional resources.

IMPROVEMENT DESCRIPTION

Number of Units	396
Average Unit Size	122 SF
Number of Buildings	15
Number of Stories	1 and 2
Net Rentable Area (NRA)	48,150 SF
Gross Building Area (GBA)	50,520 SF
Parking (Leasing Office)	11 Spaces
Year Built	2022

Age/Life Analysis

Economic Life	50 Years
Remaining Life	50 Years

Class Rating A

Quality Good

Condition Good

Marketability Good

BUILDING DESCRIPTION

MULTIPLE BUILDING DESCRIPTION GRID

BUILDING	GBA	YEAR BUILT	ECON. LIFE	REM. LIFE	STORIES	QUALITY	CONDITION
A	3,150	2022	50	50	1 and 2	Good	Good
B	4,650	2022	50	50	1	Good	Good
C	3,000	2022	50	50	1	Good	Good
D	4,400	2022	50	50	1	Good	Good
E	4,800	2022	50	50	1	Good	Good
F	4,000	2022	50	50	1	Good	Good
G	4,000	2022	50	50	1	Good	Good
H	4,800	2022	50	50	1	Good	Good
I	4,800	2022	50	50	1	Good	Good
J	4,400	2022	50	50	1	Good	Good
K	3,200	2022	50	50	1	Good	Good
L	2,220	2022	50	50	1	Good	Good
M	2,100	2022	50	50	1	Good	Good
N	500	2022	50	50	1	Good	Good
O	500	2022	50	50	1	Good	Good
TOTAL	50,520						

UNIT MIX

SELF-STORAGE UNIT MIX							
UNIT TYPE			UNIT DETAIL	SF PER UNIT	TOTAL	% OF TOTAL UNITS	TOTAL SF
5	x	10	Exterior	50	72	18%	3,600
10	x	10	Exterior	100	176	44%	17,600
10	x	15	Exterior	150	80	20%	12,000
10	x	20	Exterior	200	50	13%	10,000
10	x	25	Exterior	250	9	2%	2,250
10	x	30	Exterior	300	9	2%	2,700
TOTAL SELF-STORAGE				122	396	100%	48,150
Leasing Office							1,440
Other Common Areas							930
Leasing Office/Manager's Apartment Unit Total SF							2,370
GROSS BUILDING AREA							50,520

Basic Construction	Steel and masonry
Foundation	Poured concrete slab
Framing	Structural steel
Exterior Walls	Metal
Roof	Metal
Insulation	There is insulation within the leasing office
Heating & AC	HVAC, located within the leasing office
Lighting	Fluorescent
Electrical	The building has a master meter
Interior Walls	Metal
Doors	Metal Roll Up Doors
Flooring	Polished Concrete
Staircase/Elevators	None
Fire Protection	The subject has a fire sprinkler system.

SECURITY

Electronic Gate	At the front of the property
Keypad Entry	At the front of the property
Video Camera	Throughout the property
On-Site Managers	During business hours
Perimeter Fence	Chain link fencing

Perimeter Beams	None
Security Patrol	None
Exterior Lighting	Throughout the property
Individual Door Alarm	None
SITE IMPROVEMENTS	
Landscaping	Plantings throughout the property include trees, flowers, mowed lawn, shrubs and hedges.
Signage	Signage is located in the front of the subject
Parking	There is adequate parking (11 spaces) in front of the leasing offices.
Deferred Maintenance	Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, no observable deferred maintenance exists.
Hazardous Materials	This appraisal assumes that the improvements will be constructed free of all hazardous waste and toxic materials, including (but not limited to) asbestos. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
ADA Compliance	This analysis assumes that the subject will comply with all ADA requirements. Please refer to the Assumptions and Limiting Conditions section regarding this issue.
Conclusion	The subject improvements are in good condition for their age. The property has an attractive design and good curb appeal.

INTRODUCTION

Assessment of real property is established by an assessor that is an appointed or elected official charged with determining the value of each property. The assessment is used to determine the necessary rate of taxation required to support the municipal budget. A property tax is a levy on the value of property that the owner is required to pay to the municipality in which it is situated. Multiple jurisdictions may tax the same property.

The subject property is located within San Joaquin County. The assessed value and property tax for the current year are summarized in the following table.

ASSESSMENT & TAXES						
Tax Year	2020-2021			Tax Rate		1.089500%
Tax Rate Area	002074			Taxes Current		Yes
APN	LAND	IMPV	TOTAL	EXEMPTIONS	TAXABLE	BASE TAX
228-020-460-000	\$200,000	\$0	\$200,000	\$0	\$200,000	\$2,179
Totals	\$200,000	\$0	\$200,000	\$0	\$200,000	\$2,179
Total/Unit	\$505	\$0	\$505	\$0	\$505	\$6
Total/SF (NRA)	\$4.15	\$0.00	\$4.15	\$0.00	\$4.15	\$0.05
ADDITIONAL TAX CHARGES						
Water Zone 2						\$0.76
San Joaquin County Mosquito Abatement						\$0.88
San Joaquin County Mosquito & Vector Control Ben Assessment						\$1.32
Total Additional Tax Charges						\$2.96
Total Additional Tax Charges Per Unit						\$0
Total Additional Tax Charges Per SF (NRA)						\$0.00
Total Base Tax & Additional Tax Charges						\$2,182
Total Base Tax & Additional Tax Charges Per Unit						\$6
Total Base Tax & Additional Tax Charges Per SF (NRA)						\$0.05

Source: San Joaquin County Assessment & Taxation

SUBJECT PROPERTY ANALYSIS

The total taxable value for the subject property is \$200,000 or \$200,000.00/SF. There are no exemptions in place. Total taxes for the property are \$2,182 or \$2,181.96/SF.

In California, reassessments of property values occur upon the sale of a property due to the passage of Proposition 13 in July of 1978. If this has not occurred during the tax year, properties are limited to a maximum increase in assessed value of 2% per year. Taxes are based upon 1% of full cash value plus any amounts necessary to satisfy general obligation bonds or other indebtedness. In the valuation section, property taxes for the subject are estimated by applying the current tax rate to the concluded value since the stabilized property taxes are calculated by assuming a sale at market value per Proposition 13.

CONCLUSION

By definition, market value assumes the sale of the property. Therefore, in estimating market value of properties in California the actual taxes are somewhat irrelevant, as a sale of a subject would trigger a reassessment. Within the Income Approach, the subject's taxes are estimated by multiplying the tax rate as shown in the table above by the concluded value via the Direct Capitalization method. The additional tax charges will also be added to the concluded Real Estate Taxes, as those charges would remain in place after a potential Sale.

INTRODUCTION

Zoning requirements typically establish permitted and prohibited uses, building height, lot coverage, setbacks, parking and other factors that control the size and location of improvements on a site. The zoning characteristics for the subject property are summarized below:

ZONING 1:

ZONING SUMMARY	
Municipality Governing Zoning	City of Manteca Planning & Zoning Department
Current Zoning	General Commercial (GC)
Permitted Uses	Animal sales & grooming facilities, churches or places for worship, outdoor community recreation facilities, academic-private schools, specialized education & training/studio schools, child day care centers, convenience stores, grocery stores/supermarkets, home improvement supplies facilities, and massage therapy facilities, mini-storage, storage yard.
Prohibited Uses	Any other use not listed above
Current Use	Vacant Land
Is Current Use Legally Permitted?	Yes
Zoning Change	Not Likely
Proposed Use	Self-Storage Facility
Is Proposed Use Legally Permitted?	No
ZONING REQUIREMENTS	
Conforming Use	The proposed improvements represent a conforming use within this zone
Minimum Yard Setbacks	
Front (Feet)	None
Rear (Feet)	None
Street Side (Feet)	None
Side (Feet)	None
Open Space	35% of lot
Maximum Building Height (Feet)	35
Maximum Floor Area Ratio (FAR)	0.6
Parking Requirements	1/50 storage units or 5 spaces, whichever is greater

Source: City of Manteca Planning & Zoning Department

ZONING CONCLUSIONS

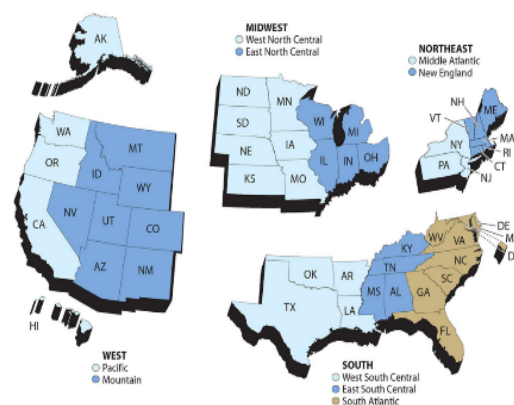
Based on the interpretation of the zoning ordinance, the subject property is an outright permitted use that could be rebuilt if unintentionally destroyed.

Detailed zoning studies are typically performed by a zoning or land use expert, including attorneys, land use planners, or architects. The depth of our analysis correlates directly with the scope of this assignment, and it considers all pertinent issues that have been discovered through our due diligence. Please note that this appraisal is not intended to be a detailed determination of compliance, as that determination is beyond the scope of this real estate appraisal assignment.

INTRODUCTION

In this section, market conditions that influence the subject property will be considered. The major factors requiring consideration are the supply and demand conditions, which affect the competitive position of the subject property.

Although self-storage facilities are market specific, this section of the report provides an overview of national, regional and market trends that influence demand for self-storage facilities in the subject's market area. The following section references the 2021 Self-Storage Almanac which represents 2020 figures and estimates. **The subject is located in the West Region / Pacific Sub Region.**



SELF-STORAGE INDUSTRY OVERVIEW

The self-storage industry has evolved over the last 30 years from one-story steel frame buildings into architecturally dynamic facilities with state-of-the-art management and security systems. The new standard of facilities offers a wide range of specialty services and are managed by well-trained professionals who are highly skilled in terms of customer service, marketing and sales. Commercial development of the self-storage industry began in the late 1960s and has doubled in size each decade since that time. Over that period, the size and type of facility has continued to change. In the past, stores were little more than single-story rectangular metal buildings with rows of storage doors. However, today's properties are often multi-million-dollar projects. In order to differentiate from competitors, many self-storage developers and operators continue to build facilities with value added amenities, which include climate-controlled units, 24-hour video surveillance, motion detectors, individually alarmed units linked to gate access codes. Operators can also add luxury items such as extra-large freight-size elevators, tile floors, enameled walls and extra wide aisles. New convenience services may include a courtesy move-in truck, electrical outlets in or near units, mailbox units, hand trucks and dollies. **Value added amenities at the subject include electronic gate access, on-site managers, exterior lighting, and video surveillance.**

Over the last 15 years, the self-storage industry has diversified into several different types of specialty services that include RV and boat storage, wine cellar storage, media storage, and file storage. The tenants for each of these specialty services are unique to the product and its location requires varying marketing and business approaches. According to the Recreational Vehicle Association, there are more than seven million RVs on the road and this number is expected to grow over the next 10 years. It is common for facilities to have covered and uncovered RV spaces. Structures that house the vehicles range from open-air carports with galvanized steel columns and beams and metal deck roofing, to conventional enclosed storage units. For an example of these types of units, see the photos below. **The subject will not have an RV parking spaces.**



Covered RV Storage Example



Uncovered RV Storage Example



Enclosed RV Storage Example

When comparing the self-storage asset class to other sectors in the industry, self-storage has continued to produce solid returns over the last 20 years. The table below compares self-storage returns to office, industrial, retail and multi-family.

TOTAL ANNUAL RETURNS BY PROPERTY SECTOR					
Year	Office	Industrial	Retail	Apartments	Self Storage
5 yr Avg. Return '14-'18	11.8%	14.5%	4.7%	13.1%	14.1%
10 yr Avg. Return '09-'18	12.5%	13.7%	12.5%	15.9%	16.9%
15 yr Avg. Return '04-'18	9.8%	12.4%	9.4%	13.2%	16.5%
20 yr Avg. Return '99-'18	11.0%	13.8%	12.3%	13.6%	16.8%
Source Data: NAREIT					

There are several reasons why the industry has been so successful over the years. There is still plenty of room for industry consolidation. The ten largest self-storage operators control approximately 15% of facilities nationwide and 20% of net rentable square feet. We have learned that self-storage facilities are not recession proof but definitely resistant. When the market is strong people have the extra income to afford storage. When the market is struggling, people are moving around and have a need for storage. During 2007 and 2009 when the market was hit the hardest, overall percentage in returns only experienced a slight decline compared to other asset classes (see table to the right). Self-storage is easier and less risky to manage compared to many other property types. Typical expenses for facilities range from 30% to 40%, with the largest expenses being taxes and payroll. Self-storage can be an easy investment to oversee as an owner. Self-storage facilities are adaptable. Due to the construction materials (typically metal) you can reconfigure units based on demand. In addition, the most successful operators in this industry have recognized that income is not limited to the monthly rent of their units. Additional income generators include tenant insurance, RV/boat storage, moving truck rentals, administration fees, late fees, merchandise sales, auction services, and tenant insurance.

Recession Resistant	
Property Type	% In Returns (2007-2009)
Self Storage	-3.8%
Office	-8.2%
Retail	-12.3%
Industrial	-18.3%
Residential	-6.4%
Apartments	-6.7%
MHC	0.5%
Healthcare	4.9%
Mortgage	-19.5%
S&P 500	-22.0%
Source: NAREIT	

COVID-19 - Based on conversations with multiple brokers, owners (ranging from small operators to REITs), and property management companies, the self-storage industry is well positioned to get through this current pandemic, similar to the Recession 10 years ago. Rent loss to date has been minimal and many believe that storage may have benefitted from the pandemic due to increased needs from businesses and individuals during lockdowns and work-from-home orders.

SUBJECT MARKET AREA OVERVIEW

The trade area of a self-storage facility is determined by many factors, including geographic area, access to transportation routes, population mobility, percentage of owner versus renter-occupied households, average household size, income, age, rent levels, etc. The importance of any one or more of these factors can vary greatly from market to market. Nevertheless, certain general trends can be ascertained.

First, the majority of potential tenants will come from a three to five-mile radius or five to ten minute driving time, depending on freeway and/or surface street configuration and the supply of facilities within a given area. As discussed previously in the market area description section of this report, there is a moderate amount of single-family and multi-family residential development located within the subject's market area.

Second, according to the Self-Storage Almanac, the typical tenant mix in self-storage facilities is approximately 80% residential users and 20% commercial users. Of course, self-storage facilities located within proximity to commercial areas may have a higher percentage of commercial users. Residential users tend to rent the smaller and medium-sized storage units, while commercial users typically rent the larger storage units. This is why at times residential users may account for more units rented, but less square footage.

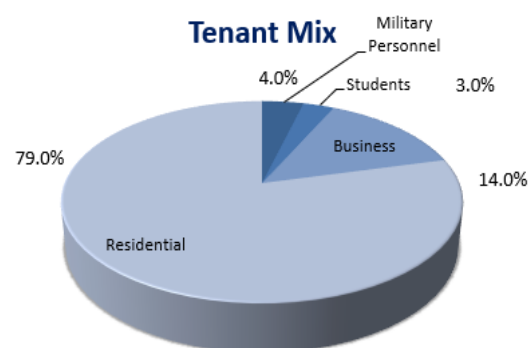
Based on surrounding uses, it is anticipated that the majority of the subject's tenants will be residential versus commercial tenants due to the subject's location and surrounding uses.

As indicated in the chart, approximately 45% of renters select the 5x10 and 10x10 size units. Approximately 28% of renters select either the 10x15 or the 10x20 unit size. Owners and managers in the area indicated that medium sized units are currently in highest demand with many tenants asking for units sized 10x10 to 10x20.

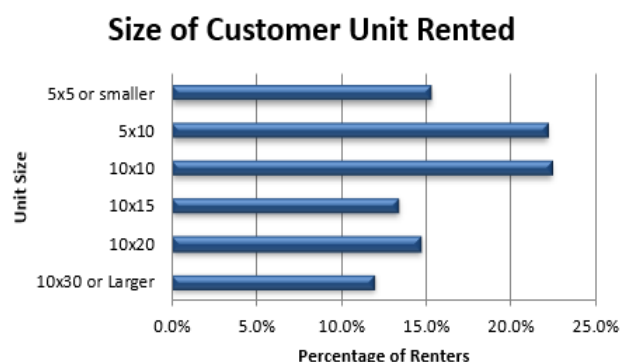
Third, self-storage operations are much like retail businesses in that they depend on customer goodwill and name recognition. According to the Self-Storage Almanac, the most important factor contributing to a facilities success is location. Location is crucial not only in the value of a facility, but also in increasing efficiency in day-to-day business operations.

SELF-STORAGE OPERATORS

The public companies are organized as Real Estate Investment Trusts (REITs). There are currently five publically traded REITs in the self-storage industry. Public Storage remains the largest self-storage company in the nation with approximately 2,844 facilities across the globe and 184 million net rentable square feet of storage. In addition to Public Storage, Extra Space Storage, CubeSmart, LifeStorage, and National Storage Affiliates Trust all fall under the REIT classification.



Source: 2021 Self Storage Almanac



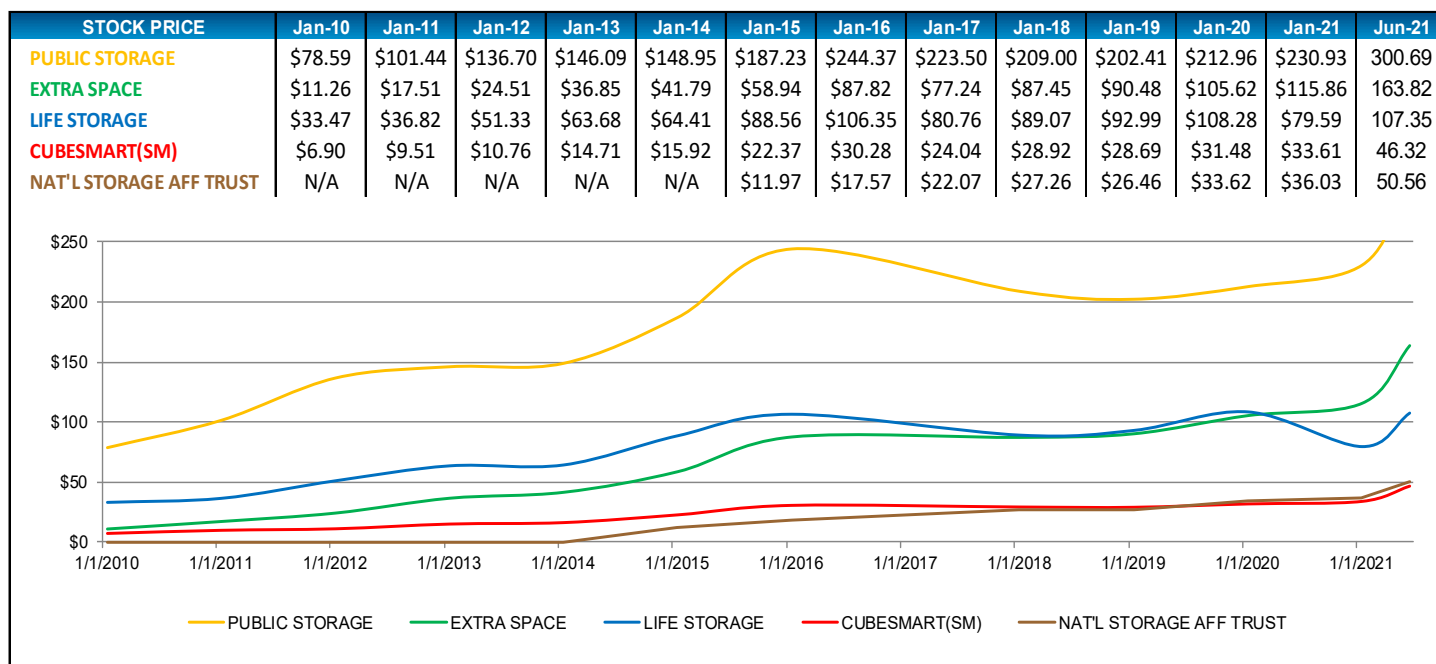
Source: 2020 Self Storage Almanac

TOP 25 OPERATORS

# COMPANY	TOTAL			OWNED			MANAGED		
	FACILITIES	SQUARE FEET	UNITS	FACILITIES	SQUARE FEET	UNITS	FACILITIES	SQUARE FEET	UNITS
1 Public Storage	2,844	184,000,000	1,865,000	2,500	171,000,000	1,680,000	106	0	0
2 Extra Space Storage	1,878	145,388,852	1,349,956	1,178	90,130,413	852,587	700	55,258,439	497,369
3 CubeSmart	1,261	85,937,599	839,962	527	37,037,599	375,962	734	48,900,000	464,000
4 U-Haul International Inc.	1,778	69,098,340	797,239	1,176	40,350,009	479,783	489	24,698,242	272,226
5 Life Storage	905	65,818,751	606,237	588	42,401,001	383,439	308	22,895,921	214,429
6 National Storage Affiliates Trust	948	60,800,000	486,700	784	49,200,000	394,300	164	11,600,000	92,400
7 Storage Asset Management Inc	280	17,042,728	123,669	0	0	0	280	17,042,728	123,669
8 Prime Storage Group	225	16,038,243	124,425	224	15,986,583	123,741	1	51,660	684
9 StorageMart	244	15,289,585	134,431	157	10,394,412	84,061	0	0	0
10 W. P. Carey Inc.	192	13,763,496	123,991	189	13,446,531	120,989	0	0	0
11 The William Warren Group	199	12,644,801	129,418	132	8,599,178	90,119	67	4,045,623	39,299
12 SmartStop Self Storage REIT Inc	155	12,000,000	106,500	132	10,000,000	87,000	0	0	0
13 Argus Professional Storage Management LLC	175	10,682,663	72,332	0	-	0	175	10,682,663	72,332
14 Westport Properties, Inc / US Storage Centers	139	10,043,447	91,521	89	6,521,536	62,057	50	3,521,911	29,464
15 Metro Storage LLC	147	9,869,300	86,653	140	9,808,400	83,557	7	360,900	3,096
16 Merit Hill Capital, LP	139	9,053,930	68,446	139	9,053,930	68,446	0	0	0
17 All Storage	59	8,699,907	62,734	59	8,699,907	62,734	0	0	0
18 Morningstar Storage	82	7,720,661	45,000	82	7,720,661	45,000	0	0	0
19 Storage Rentals of America	144	7,452,392	56,711	144	7,452,392	56,711	0	0	0
20 Absolute Storage Management	139	7,339,820	55,446	20	1,178,184	9,163	119	6,161,636	46,283
21 World Class Holdings dba Great Value Storage	75	6,800,000	61,650	75	6,800,000	61,650	0	0	0
22 Compass Self Storage/Amsdell Companies	94	6,601,770	55,411	94	6,601,770	55,411	0	0	0
23 West Coast Self Storage	73	5,560,965	43,585	15	907,747	9,771	58	4,653,218	33,814
24 StoragePRO Management, Inc	90	5,283,270	42,776	0	0	0	90	5,283,270	42,776
25 Universal Storage Group	79	5,087,241	38,695	6	374,529	3,344	73	4,712,712	35,351

Source: 2021 Self-Storage Almanac

A review of the stock prices over the last 10+ years provides a glimpse into value trends for the self-storage industry. After experiencing a brief dec line in 2008 and 2009 due to the Recession, self-storage surged to become one of the best performing REIT sectors with continual gains over the last several years. From 2019 to 2021, we have seen a steady increase for the majority of the REITS. Even though COVID -19, the majority of the REITS are seeing stock prices at an all-time high.



SELF-STORAGE OCCUPANCY

The level of occupancy of self-storage facilities can be measured in different ways. While some owners measure occupancy in terms of square footage, the most common measurement is physical occupancy, the direct measure of how many units are rented. The national average physical occupancy rate has increased by 0.2% since Q4 2019. The following table indicates the regional and national averages of physical occupancy rates between Q2 2019 – Q2 2020 (most recent available).

REGIONAL AVERAGE OF PHYSICAL OCCUPANCY TRENDS					
Region / Division	2020	2020	2019	2019	2019
	Q2	Q1	Q4	Q3	Q2
West (Mountain)	92.3%	90.7%	91.5%	92.4%	91.4%
West (Pacific)	92.3%	91.7%	91.4%	92.6%	92.1%
Midwest(East North Central)	90.4%	89.6%	90.7%	91.9%	91.0%
Midwest (West North Central)	91.1%	86.9%	87.0%	88.9%	89.6%
Northeast (Middle Atlantic)	91.1%	86.9%	87.0%	88.9%	90.9%
Northeast (New England)	91.1%	86.9%	87.0%	88.9%	89.3%
South (South Atlantic)	90.6%	89.5%	89.7%	91.4%	90.7%
South (East South Central)	90.4%	89.5%	90.3%	91.5%	90.4%
South (West South Central)	90.2%	89.4%	90.3%	90.5%	89.8%
NATIONAL	92.2%	89.9%	90.5%	91.5%	91.0%

Source: Self Storage Almanac 2021

As indicated above, the national average physical occupancy was 92.1% in Q2 2019 and decreased 0.7% in Q4 2019 to 91.4% and then up 0.9% to 92.3% in Q2 2020. In 2020, physical occupancy was highest in the West division at an average of 92.3% for Q2 2020 and lowest in the South (West South Central) division at an average of 90.2% for Q2 2020. **The West sector, where the subject is located, experienced a slight increase from 92.1% in Q2 2019 to 92.3% in Q2 2020. It should be noted that over the last year there has been more significant increases across the county with COVID-19.**

SELF-STORAGE RENTAL RATES

The West region, where the subject is located, saw slightly decreases for small, medium, and larger sized units from 2Q 2019 to 2Q 2020. Rental rates are anticipated to remain fairly stable, if not increase in 2021 throughout the country. It should be noted that the shaded column is for climate-controlled units.

AVERAGE RENTAL RATE PER REGION										
	5X5		5X10		10X10		10X15		10X20	
West (Pacific) - 2019 Q2	\$63.03	\$72.64	\$99.98	\$110.16	\$162.74	\$185.46	\$205.14	\$238.91	\$227.51	\$306.58
West (Pacific) - 2019 Q3	\$60.54	\$69.63	\$98.32	\$101.49	\$156.62	\$175.44	\$197.19	\$225.19	\$228.58	\$284.77
West (Pacific) - 2019 Q4	\$64.11	\$68.85	\$93.79	\$105.68	\$154.48	\$172.90	\$195.14	\$227.43	\$229.62	\$296.13
West (Pacific) - 2020 Q1	\$63.52	\$71.26	\$93.86	\$107.71	\$156.32	\$176.34	\$198.98	\$229.67	\$228.94	\$306.49
West (Pacific) - 2020 Q2	\$63.62	\$70.55	\$95.63	\$107.44	\$159.91	\$175.45	\$197.27	\$227.53	\$225.43	\$312.63
National Avg. 2019 Q2	\$47.23	\$56.10	\$67.94	\$84.46	\$107.11	\$132.66	\$132.97	\$173.32	\$156.41	\$222.49
National Avg. 2019 Q3	\$46.69	\$55.67	\$66.99	\$82.93	\$105.72	\$130.36	\$131.59	\$170.69	\$153.15	\$216.65
National Avg. 20189Q4	\$44.31	\$52.88	\$63.84	\$79.35	\$100.30	\$125.14	\$127.07	\$164.95	\$149.29	\$211.39
National Avg. 2020 Q1	\$44.63	\$52.75	\$63.60	\$78.96	\$99.24	\$123.91	\$126.59	\$163.57	\$148.95	\$208.64
National Avg. - 2020 Q2	\$44.81	\$51.95	\$63.05	\$77.38	\$97.40	\$120.23	\$124.07	\$157.83	\$146.14	\$205.17

Source: Self Storage Almanac 2021

The units at the subject and within the subject's market area have generally followed a similar trend over the last few years. **Managers and owners in the area indicated that rents levels in the market increase approximately 3% to 5% per year.**

SELF-STORAGE RATING

Self-storage facilities can typically be broken down into three specific categories that depend largely on their location, as well as other characteristics. We use the following rating system used to classify all self-storage facilities. The three major categories are: Class A – Excellent, Class B – Good, and Class C – Fair/Average. Each property is classified according to its location, access & exposure, quality, physical condition, occupancy/saturation, and amenities. Generally, a property that meets 3 or 4 characteristics in a category should be classified as such. Using this rating system creates a simple, but comprehensive view of the property.

SELF-STORAGE RATING GUIDE			
CATEGORY	A ***** GOOD/EXCELLENT	B **** AVERAGE/GOOD	C *** FAIR/AVERAGE
Location	Major MSA	Major MSA / Secondary Market	Secondary /Rural
Size	40,000 SF +	20,000-80,000 SF +	5,000-30,000 SF
Access/Exposure	Freeway Exposure with Good Access or Major Thoroughfare with Good Access and Exposure	Major Thoroughfare with Above Average Access and Exposure	Secondary Thoroughfare with Average Access and Limited Exposure
Quality	Brick, Block, or Tilt-Up, with Paved Asphalt or Concrete (Office Style/Multi-level)	Brick, Block, Tilt-Up, Steel or Wood Frame with Metal Siding and Paved Asphalt	Steel or Wood Frame with Metal Siding and Paved Asphalt (Can include portable units or swing out doors)
Condition	Newer Construction, Well Maintained, No Deferred Maintenance, Clean and Appealing	Aging Improvements, Well Maintained, Recurring Maintenance, Clean	Older Construction, Fair Maintenance, Potential for Costly Repairs, Appeal Reflects Age
Occupancy	Proven Over 90% Occupancy, Strong Fundamentals	Stabilized Occupancy, Average Fundamentals	Inconsistent Occupancy, Weak Fundamentals
Saturation	High Barriers to Entry	Vulnerable to New Development	New Development Risk
Amenities	On-Site Managers, Video Surveillance, Individual Unit Alarms, Electronic Gate, Exterior Lighting	On-Site Managers, Video Surveillance, Electronic Gate, Exterior Lighting	On-Site Managers, Perimeter Fencing, Exterior Lighting

The table below displays the Colliers rating system as applied to the subject property.

SELF-STORAGE RATING - SUBJECT RATING								
LOCATION	SIZE	ACCESS	EXPOSURE	QUALITY	CONDITION	SATURATION	AMENITIES	OVERALL
B	B	B	B	A	A	A	A	A

As indicated in the table, a majority of the six categories at the subject property fall under an A -class investment which is a reasonable overall rating. The subject's class B access and exposure, along with strong historical occupancy would give the subject above average appeal to national / regional / local investors.

MARKET & SUBMARKET

Rental Rates

The following table shows the current rental rates in the market and submarket according to REIS.

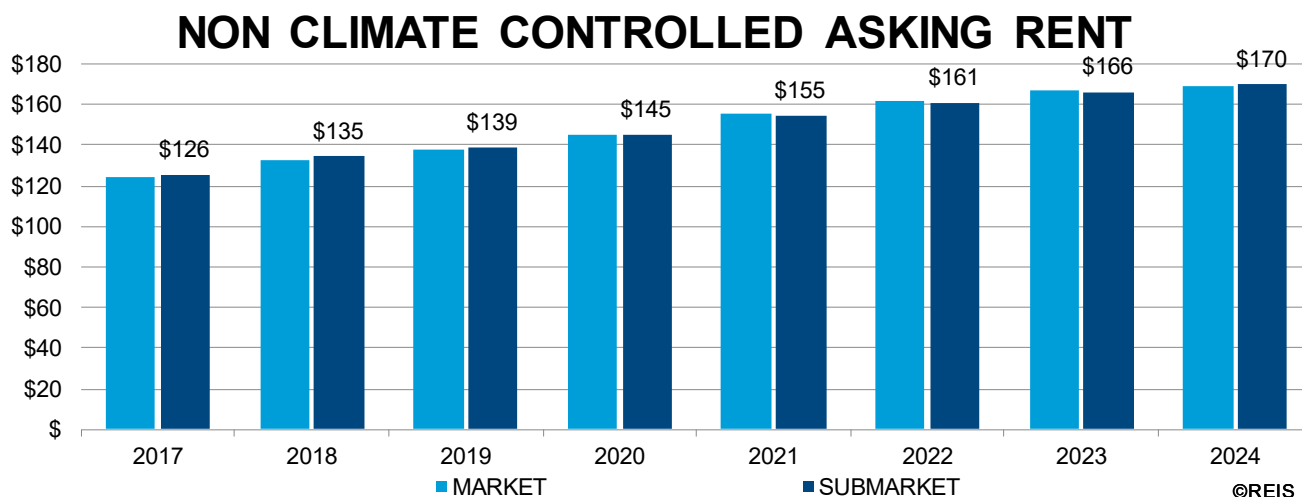
AVERAGE RENTAL RATE 2Q 2021										
MARKET/SUBMARKET	5X5		5X10		10X10		10X15		10X20	
	NCC	CC	NCC	CC	NCC	CC	NCC	CC	NCC	CC
Stockton	\$64.83	\$64.95	\$92.85	\$105.45	\$156.41	\$156.82	\$192.46	\$196.39	\$209.16	\$210.00
Outer Suburbs	\$62.81	\$64.72	\$91.78	\$111.04	\$155.98	\$142.00	\$194.11	\$194.00	\$209.20	\$210.00

Source: REIS NCC = Non-Climate Controlled / CC = Climate Controlled

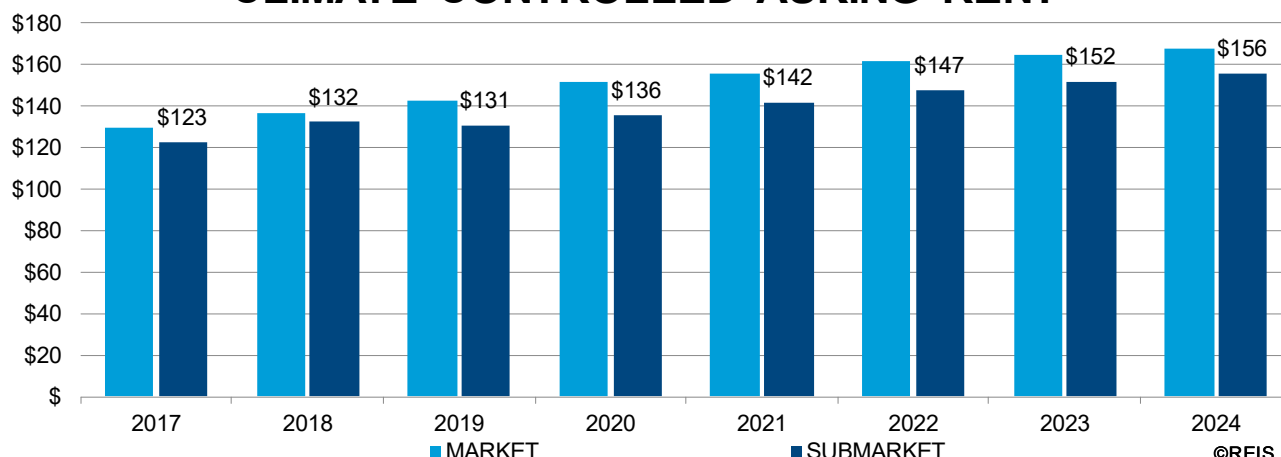
The following chart shows the historical vacancy and rent for the market and submarket.

HISTORICAL & FORECAST VACANCY & RENT							
YEAR	Q	VACANCY		ASKING RENT NCC 10x10		ASKING RENT CC 10x10	
		MARKET	SUBMARKET	MARKET	SUBMARKET	MARKET	SUBMARKET
2017	Y	6.4%	4.7%	\$124.54	\$125.81	\$130.01	\$122.55
2018	Y	6.7%	7.0%	\$132.69	\$134.60	\$136.61	\$132.28
2019	Y	10.6%	10.6%	\$137.79	\$139.02	\$142.94	\$130.84
2020	Y	10.9%	10.4%	\$144.70	\$145.16	\$151.27	\$135.62
2021	Y	10.7%	12.3%	\$155.25	\$154.69	\$156.07	\$141.68
2022	Y	10.3%	11.6%	\$161.81	\$161.17	\$161.35	\$147.44
2023	Y	9.2%	10.2%	\$166.60	\$166.23	\$164.99	\$152.06
2024	Y	8.9%	9.9%	\$169.59	\$169.80	\$167.57	\$155.70

Source: REIS NCC = Non-Climate Controlled / CC = Climate Controlled



CLIMATE CONTROLLED ASKING RENT

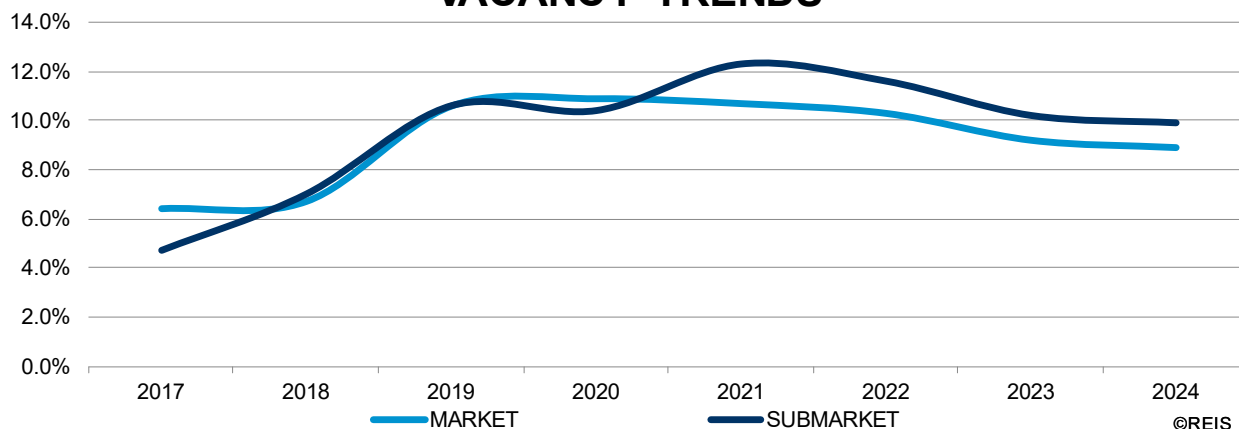


The following chart shows the last four quarters of vacancy and rent for the market and submarket.

TRAILING FOUR QUARTERS VACANCY & RENT							
YEAR	Q	VACANCY		ASKING RENT NCC 10x10		ASKING RENT CC 10x10	
		MARKET	SUBMARKET	MARKET	SUBMARKET	MARKET	SUBMARKET
2020	Q3	10.2%	9.8%	\$143.74	\$144.09	\$151.79	\$135.12
2020	Q4	10.9%	10.4%	\$144.70	\$145.16	\$151.27	\$135.62
2021	Q1	10.2%	10.3%	\$153.58	\$152.87	\$157.32	\$144.88
2021	Q2	9.4%	11.6%	\$156.41	\$155.98	\$156.82	\$142.00

Source: REIS NCC = Non-Climate Controlled / CC = Climate Controlled

VACANCY TRENDS



SELF-STORAGE SUPPLY

Existing Supply

The following information is based upon a rental survey conducted with self-storage facility managers throughout the general area. The subject's primary market area is concluded to lie within a three-mile radius from the subject property. There is one self-storage facilities located less than one mile of the subject. Presented in the following table is a representative sample of competing facilities that are located within three miles of the subject.

VACANCY & NRA SURVEY AS OF SEPTEMBER 2021

	DISTANCE	NRA	UNITS	VACANT	VACANCY
Austin Self Storage	-	48,150	396	-	-
Extra Space Storage	0.5 Miles	49,200	492	49	10.0%
Extra Space Storage	1.9 Miles	50,200	527	42	8.0%
U-Haul	2.0 Miles	31,558	360	11	3.1%
North Main Street Self-Storage	2.3 Miles	55,000	550	77	14.0%
Arco Self Storage	2.6 Miles	37,126	370	19	5.1%
Security Public Storage	3.0 Miles	54,700	547	19	3.5%
TOTAL/AVERAGE (EXCLUDING SUBJECT)		277,784	2,846	217	7.6%

The self-storage facilities shown above indicate an overall vacancy rate of 7.6%. Based on the comparables and the overall market vacancy, the subject's market area has strong demand for self-storage.

Most of the facilities surveyed are of either prefabricated metal construction or a combination of prefabricated metal and masonry block and were typically built within the last 20 years. The majority have standard security features, i.e., keypad-controlled access gate, surveillance cameras, resident management and perimeter fencing.

Stabilized occupancy rates of 90%-95% are preferred by developers and operators in this market. Excluding facilities in their initial lease-up period often gives a more accurate picture of a given market when measure figures such as occupancy rates. It should be noted that other factors may also influence the occupancy of individual facilities, including location, exposure, access, management, security features, and rental rates.

Potential Supply

The potential supply of storage units is linked to demand, the best indicator of which is population growth. As outlined in the Market Area Description section, the subject is located in Manteca, CA. The population is anticipated to grow slowly over the next few years. According to the Manteca / San Joaquin County Planning/Building Department and Yardi Matrix, other than the subject there is one other facility that is planned within the area. Arco Self Storage Phase II is planned, however, there is no further information. There is no public record of anticipated SF or an anticipated completion date. Therefore, no SF of Arco's phase II will be included within the saturation analysis.

Saturation Analysis

One way to determine whether or not the self-storage development is feasible is to compare all existing facilities including those in lease-up or proposed throughout the market area with existing and projected population numbers. Based on conversations with developers of self-storage facilities, a supply ratio is often calculated to determine the feasibility of a development (rentable SF / population). The following table provides a description of various supply ratios.

NATIONAL & AREA SUPPLY RATIOS			
AREA	FACILITIES	SQUARE FEET	SUPPLY RATIO
Stockton-Lodi, CA	83	5,234,670	6.83
California	3,728	229,825,090	5.77
United States	48,233	1,956,388,517	5.99

SATURATION MULTIPLIER TABLE	
Supply Ratio	Description
4.0 to 5.0	Exceptional Market to Build
5.0 to 6.0	Good Market to Build
6.0 to 7.0	Above Average market to Build
7.0 to 8.0	Average Market to Build
8.0 to 9.0	Below Average Market to Build
9.0 to 10.0	Poor Market
10.0+	Saturated Market

The supply ratio is based on the overall square footage of mini-storage facilities within a three-mile radius of the subject property, divided by the population. Presented in the table below is the NRSF for the facilities located within the subject's market area (3-mile radius). It is worth noting that these numbers are estimates based on what we were able to extract from the market.

NRA SURVEY AS OF APRIL 2021			
	DISTANCE	NRA	UNITS
Austin Self Storage	-	48,150	396
Extra Space Storage	0.5 Miles	49,200	492
Extra Space Storage	1.9 Miles	50,200	527
U-Haul	2.0 Miles	31,558	360
North Main Street Self-Storage	2.3 Miles	55,000	550
Arco Self Storage	2.6 Miles	37,126	370
Security Public Storage	3.0 Miles	54,700	547
TOTAL/AVERAGE (EXCLUDING SUBJECT)		277,784	2,846
TOTAL/AVERAGE (INCLUDING SUBJECT)		325,934	3,242

According to *Pitney Bowes/Gadberry Group - GroundView®*, the current population in the subject market area (three-mile radius) for 2020 was 54,872 residents. The following table illustrates the current and projected supply ratios of the subject market.

CURRENT & PROJECTED SUPPLY RATIOS			
YEAR	MARKET POPULATION (3-MILES)	SELF-STORAGE SF	SUPPLY RATIO
2020	54,872	277,784 SF	5.06
2025	57,773	325,934 SF	5.64

Based on current inventory, the supply ratio for the subject's market area (three-mile radius) is 5.06 (277,784 rentable SF / 54,872 residents), which is considered good market to build. The total self-storage square footage includes only existing buildings.

Based on projections in population for 2025, the supply ratio within the same three-mile radius would increase to 5.64 (57,773 rentable SF / 325,924 residents), which is still considered a good market to build. This assumes that no other significant self-storage inventory comes online. Based on conversations with city planners, it is unlikely that other facilities would be approved in the market area over the next couple years. Based on the table above, the subject's current supply ratio is considered a good market to build.

Supply Conclusion

Based on the average occupancy rate, it appears that the market is in balance. However, it is also anticipated that the subject will reach stabilized occupancy (92%) based on its recent performance, location, physical characteristics, and occupancy history.

DEMAND

Demand is best indicated by vacancy and absorption rates. The vacancy and absorption characteristics of the subject's self-storage market area are discussed below.

Vacancy

Based on the survey above, the self-storage facilities surveyed in this section indicate a vacancy factor of 7.6%. Self-storage operators and brokers report that 5%-10% is a general industry standard for this market. If a property is not consistently performing at this level, there may be a management problem or the market is saturated.

Absorption

Another good indicator of demand would typically be the recent absorption rates of new self-storage facilities in the area. Typically, new facilities tend to experience rapid absorption rates during the initial lease-up period. This is because sites for new self-storage facilities are chosen based on both pent-up and the potential future demand in a given area. Pent-up demand is usually the reason for the very high absorption rates in the first few months after opening. After this, the absorption rates tend to slow down to a steady rate, which is influenced primarily by population growth and competition for other facilities. It should be noted that absorption levels have significantly decreased over the last few years.

ABSORPTION				
NAME	ADDRESS	# OF UNITS	OCCUPANCY	ABSORPTION
First Rate Storage	7565 Pacific Avenue, Stockton, CA	860	7%	18
StorQuest Self-Storage	2415 3rd Street, Sacramento, CA	1100	13%	33
Stor Rite Self-Storage	1801 Ackerman Drive, Lodi, CA	419	39%	25
Public Storage	3970 Pell Circle, Sacramento, CA	862	56%	22
Silver State Storage (Phase I)	1675 W 4th Street, Reno, NV	250	100%	41
Richards Self Storage	1939 Ricahrds Pl., Sparks, NV	493	62%	21
Silver State Storage (Phase II)	1675 W 4th Street, Reno, NV	250	92%	19
Keylock Storage	1515 Sky Mountain Drive, Reno, NV	889	82%	51
Downtown Self-Storage	1305 10th Street, Modesto, CA	385	80%	34
Security Public Storage	2400 East Monte Vista Avenue, Vacaville, CA	395	82%	20
San Felipe Self Storage	1571 San Felipe Road, Hollister, CA	93 (Expansion)	100%	31
Anchor Self-Storage	1050 Sonoma Blvd, Vallejo, CA	636	96%	30
West Sacramento Self-Storage	2274 Lake Washington Blvd, Sacramento, CA	623	96%	16
Extra Self-Storage	3290 Jefferson Blvd, West Sacramento, CA	334	93%	14
West Coast Self-Storage	421 Lincoln Ave, San Jose, CA	472	95%	18
CubeSmart	8135 Watt Avenue, Antelope, CA	305	97%	16
Gilroy Self-Storage	6500 & 6700 Cameron Blvd, Gilroy, CA	543	100%	22
Theatre Drive Self-Storage	2161 Theatre Drive, Paso Robles, CA	443	87%	19

The subject is anticipated to be built by January 2022. Based on the demand in the subjects market, we estimate that the subject will be able to achieve a stabilized level of occupancy within 24 months of completion, or 16 units per month, which is supported by the typical lease-up range in the subject's market.

SUMMARY OF THE MARKET STUDY

The average vacancy rate of the existing facilities in the subject's market area is approximately 7.6%. The subject is currently 100.0% occupied on a per unit basis and 100.0% occupied on a per SF basis. The subject property is located within the Stockton, CA, in the city of Manteca. The subject property would be considered a Class A+ facility using the Colliers rating system. At present, there appears to be adequate demand for storage units in the market area. Based on current population, growth trends, limited new facilities, and the subject's location, exposure and physical characteristics it is anticipated that occupancy rates will remain stable or slightly increase in the foreseeable future. Based on this information and taking into account the characteristics of the subject property, a stabilized occupancy level estimate of 92% is projected.

SUBJECT MARKETABILITY

The subject is a good/excellent quality facility in good/excellent condition, appears to have been regularly well-maintained made over the years, and has above appeal compared to the typical market supply. The subject's stable, quality income stream further enhances the subject's marketability. Overall, the subject has average to good marketability. The subject would likely attract a regional or national investor experienced in self-storage ownership.

BROKER / MARKET PARTICIPANT INTERVIEWS

Interviews with brokers and other market participants were conducted to put previously discussed trends and Based on conversations with multiple brokers, owners (ranging from small operators to REITs), and property management companies, the self-storage industry is well positioned to get through this current pandemic.

Tom de Jong with Colliers International works in California, Nevada and the Midwest. The market for stabilized self-storage assets has seen minimal impact from Covid-19 with a very limited number of stabilized assets available for sale. Stabilized assets that are listed for sale receive heavy inquiries from institutional, private equity, family office, regional and national players. CAP rates in top-100 markets have remained in a relatively tight range from 4.5% - 5.5% depending on the specific market and quality of asset. Smaller assets and assets in tertiary markets are favored by local operators or 1031 buyers and are priced with CAP rates in the 5.5% - 6.5% range. Pre-stabilized assets (certificate of occupancy sales or early lease-up sales) and entitled land sales have seen a marked decrease in activity, and pricing reflects more conservative lease-up projections and high risk-adjusted CAP rates. Due diligence periods have increased due to Covid-19 and may extend 45 – 75 days depending on the asset and locations with closing timelines in the 15 – 30-day range. During the early stages of Covid-19 several transactions saw some additional delays to allow banks to complete internal underwriting, although that seems to have diminished recently.

General Vacancy Conclusion

As summarized in the table below this market analysis relied on various published data sources and field research for assessing how supply/demand conditions influence the long-term vacancy estimate of the subject property.

GENERAL VACANCY CONCLUSION	
National	14.1%
West	13.9%
Stockton	10.7%
Outer Suburbs	12.3%
Competitive Set	7.6%
GENERAL VACANCY RATE CONCLUSIONS	8.0%
CONCESSIONS	2.0%

EXPOSURE TIME & MARKETING PERIOD

Exposure time is defined as "The estimated length of time 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 opinion based on an analysis of past events assuming a competitive and open market" (The Dictionary of Real Estate Appraisal, Appraisal Institute, 2015). Reasonable exposure time is impacted by the aggressiveness and effectiveness of a property's exposure to market participants, availability and cost of financing, and demand for similar investments. Exposure time is best established based the recent

history of marketing periods for comparable sales, discussions with market participants and information from published surveys.

The following information was taken into consideration to develop estimates of exposure time and marketing period for the subject property:

EXPOSURE TIME & MARKETING PERIOD				
SOURCE	QUARTER	RANGE		AVG
PriceWaterhouse Coopers				
National Warehouse	1Q 21	1.0	to 15.0	4.8
Market Participant Interview				
Bobby Loeffler Loeffler Self-Storage Group	3Q 21	1.0	to 5.0	3.0
Carl Touhey & Jason Allen Performance Self-Storage Group	3Q 21	1.0	to 3.0	2.0
Mark Yandow & Joe Garvey Self-Storage Brokers of California	3Q 21	1.0	to 4.0	2.5
Tom de Jong Colliers Parrish	3Q 21	1.0	to 4.0	2.5
AVERAGE		1.0	to 6.2	3.0

The availability of acquisition financing factors into exposure time. In recent quarters, financing has been available for well-positioned commercial real estate, particularly for stabilized assets within core MSAs and owner/user deals. For second tier or marginal properties, financing has been available but subject to more stringent requirements. Based on review of the local capital market, we conclude that adequate financing options would have been available to consummate a sale of the property on the date of value.

Exposure Time Conclusion

The preceding information generally supports an exposure time range from 3 to 6 months for Self-Storage properties. The subject property is of good/excellent quality and is in good/excellent condition. Based on its overall physical and locational characteristics, the subject has average/good overall appeal to investors. Considering these factors, a reasonable estimate of exposure time for the subject property is **six months or less**.

Marketing Period Conclusion

Marketing period is very similar to exposure time, but reflects a projected time period to sell the property, rather than a retrospective estimate. We have reviewed open listings and discussed the market with local participants, and given the nature of the subject property, we feel that a time period of **six months or less** is supported for the subject's marketing period.

INTRODUCTION

The highest and best use of an improved property is defined as that reasonable and most probable use that will support its highest present value. The highest and best use, or most probable use, must be legally permissible, physically possible, financially feasible, and maximally productive. This section develops the highest and best use of the subject property As-Vacant and As-Proposed.

AS-VACANT ANALYSIS

Legal Factors

The legal factors that possibly influence the highest and best use of the subject site are discussed in this section. Private restrictions, zoning, building codes, historic district controls, and environmental regulations are considered, if applicable to the subject site. Permitted uses of the subject's General Commercial (GC) zoning were listed in the Zoning Analysis section.

Physical & Locational Factors

Regarding physical characteristics, the subject site is irregular in shape and has level topography with average/good access and average/good exposure. The subject is surrounded by residential and commercial uses, as well as vacant land. Given the subject's location and surrounding uses, the subject site is desirable for commercial development. Although a mixed-use area, residential is the predominant land use with various retail and commercial uses along primary arterials. Of the outright permitted uses, physical and locational features best support development of a commercial use facility for the site's highest and best use as-vacant.

Feasibility Factors

The financial feasibility of those uses that meet the legal and physical tests discussed is analyzed further in this section. Supply and demand conditions affect the financial feasibility of possible uses. Indicators of feasibility, which typically indicate favorable or non-favorable supply and demand conditions, include construction financing and proposed projects. Financial feasibility factors generally support immediate development of the subject site.

As-Vacant Conclusion

Based on the previous discussion, the subject's highest and best use as-vacant is concluded to be development of a commercial use.

AS-PROPOSED ANALYSIS

Legal Factors

It should be noted that the subject as-is currently conforms to the city's zoning regulations. However, if a self-storage facility was built it would not conform to the current zoning. After conversation with the developer and current owner the current zoning has been petitioned to be changed.

Physical & Locational Factors

The physical and location characteristics of the subject improvements have been previously discussed in this report. In summary, the subject's improvements will be constructed in 2022 and have a remaining economic life of 50 years based on our estimate. The project is of good quality construction and in good condition, with adequate service amenities. The subject improvements as-proposed are sufficiently supported by site features including its irregular shape, level topography, average/good access and average/good exposure. Further, the subject's location supports the subject improvements as-proposed with similar and homogeneous developments present in the subject's immediate market area. Physical and location factors influencing the highest and best use of the property support the subject's use as-proposed.

Alternative Uses & Feasibility Factors

In addition to legal and physical considerations, analysis of the subject property as-proposed requires the treatment of two important issues: 1) consideration of alternative uses for the property; and 2) the marketability

of the most probable use. The five possible alternative treatments of the property are demolition, expansion, renovation, conversion, and the subject's use as-proposed.

- › **Demolition** - The subject improvements contribute significant value above the current land value. Therefore, demolition is not applicable in this case.
- › **Expansion** - The subject property comprises approximately 2.76 acres (120,225 SF) and will be improved with a self-storage facility.
- › **Renovation** Renovation is neither appropriate nor applicable to this property.
- › **Conversion** Conversion is neither appropriate nor applicable to this property.
- › **Continued Use "As-Is"** The final option is the proposed use of the property "As-Is." This is legal, physically possible, and financially feasible. Therefore, continued use, a Industrial (Self-Storage / Mini-Storage Facility) is considered appropriate.

Among the five alternative uses, the subject's use as-proposed is supported to be its Highest and Best Use.

Marketability Factors

As previously indicated in the Market Analysis, the subject property has good marketability. In general, self-storage supply/demand conditions and immediate market area trends support viable short and long-term operations of the subject's use as-proposed.

As-Proposed Conclusion

Legal, physical, and market considerations have been analyzed to evaluate the highest and best use of the property. This analysis is presented to evaluate the type of use that will generate the greatest level of future benefits possible from the property. Based on the previous discussion, the highest and best use of the subject property as-proposed is concluded to be development of a self-storage property.

INTRODUCTION

The following presentation of the appraisal process deals directly with the valuation of the subject property. The following paragraphs describe the standard approaches to value that were considered for this analysis.

INCOME APPROACH

The Income Approach is based on the premise that properties are purchased for their income producing potential. It considers both the annual return on the invested principal and the return of the invested principal. This valuation technique entails careful consideration of contract rents currently in place, projected market rents, other income sources, vacancy allowances, and projected expenses associated with the efficient operation and management of the property. The relationship of these income estimates to property value, either as a single stream or a series of projected streams, is the essence of the income approach. The two fundamental methods of this valuation technique include Direct Capitalization and Discounted Cash Flow.

› **Direct Capitalization**

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

› **Discounted Cash Flow (DCF)**

The DCF analysis models a property's performance over a buyer's investment horizon from the date of acquisition through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at a rate reflective of the property's economic and physical risk profile.

Development of the Income Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject is an investment property; therefore, the Income Approach represents the decision making process of knowledgeable buyers and sellers of this property type. Direct Capitalization and Discounted Cash Flow analysis are both applicable and developed within this analysis. The resulting opinions of value are reconciled into a final opinion of value by this Approach.

SALES COMPARISON APPROACH

The Sales Comparison Approach is based on the principle of substitution, which asserts that no one would pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments in order to bracket the subject property on an appropriate unit value comparison. The sales comparison approach is applicable when sufficient data on recent market transactions is available. Alternatively, this approach may offer limited reliability because many properties have unique characteristics that cannot be accounted for in the adjustment process.

Development of the Sales Comparison Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique to be developed. Sufficient sales data is available to provide a credible value estimate by the Sales Comparison Approach. Based on this reasoning, the Sales Comparison Approach is presented within this appraisal.

LAND VALUATION

Development land in the subject marketplace is most often valued utilizing the Sales Comparison Approach. Development of the subject site value is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that a site value is developed. Within the Site Valuation section, the subject is valued as one marketable economic site.

COST APPROACH

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised. For investment properties, this valuation technique is most often relied upon as a test of financial feasibility for proposed construction.

Development of the Cost Approach is a specific scope requirement of this assignment. Characteristics specific to the subject property warrant that this valuation technique is developed. The subject property is proposed construction, which makes the Cost Approach particularly useful as a test of financial feasibility. Based on the preceding information, the Cost Approach will be presented.

RECONCILIATION OF VALUE CONCLUSIONS

The Income (Direct Capitalization & Discounted Cash Flow), Sales Comparison and Cost approaches are used to value the subject property, which will be reconciled into the final opinions of market value in the Analysis of Value Conclusions section.

INTRODUCTION

Direct Capitalization and Discounted Cash Flow analysis are both applicable and developed within this analysis. The resulting opinions of value are correlated into a final value when multiple methods are applied to the same scenario.

ANALYSIS OF RENT COMPARABLES

Unit of Comparison

The analysis is conducted on a rent per month basis, reflecting market behavior. This unit of comparison is predominantly used in this market.

Selection of Comparables

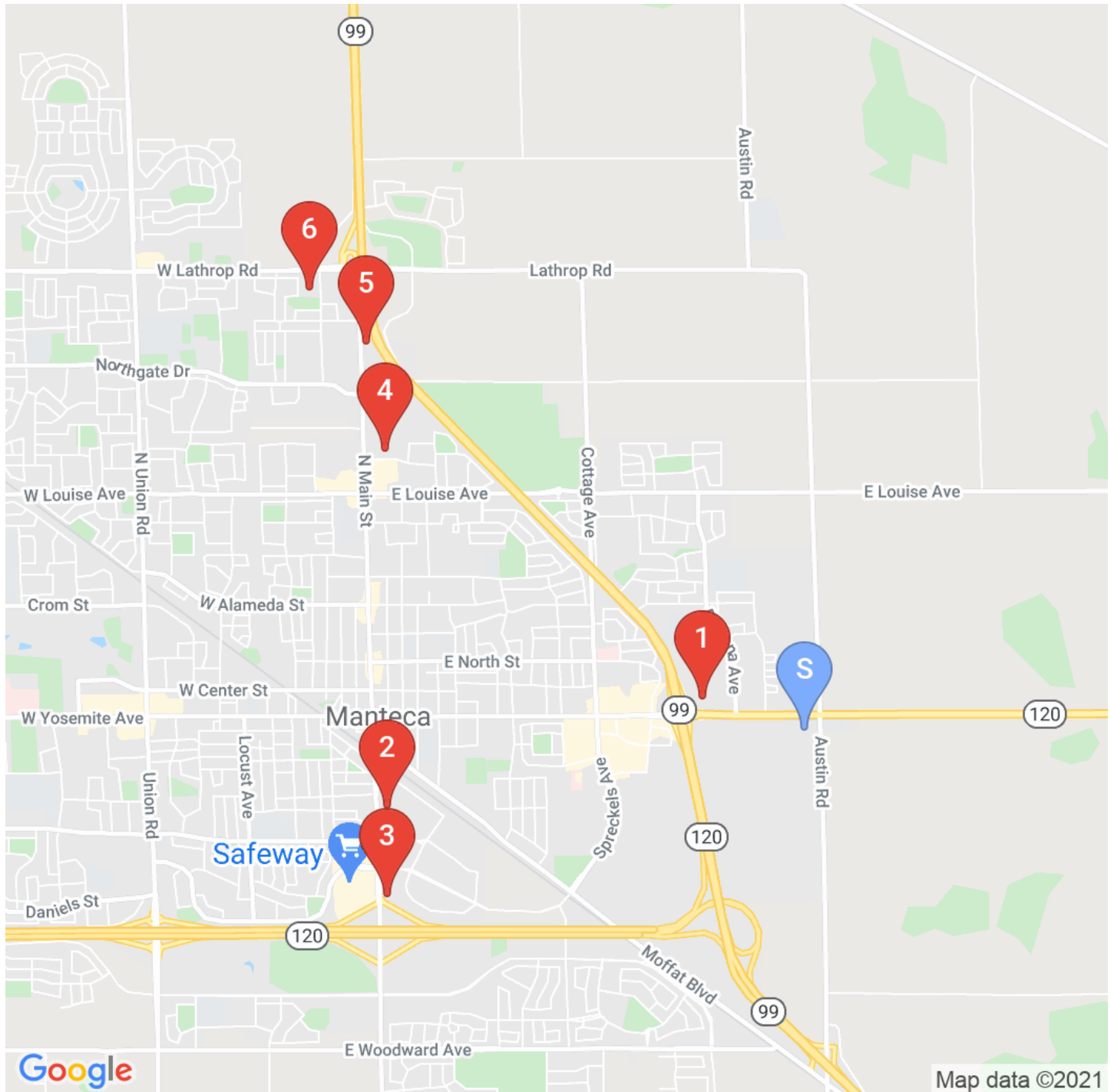
A complete search of the area was conducted in order to find the most comparable self-storage facilities in terms of age, appeal, condition, number of units, and amenities. The rent comparables are located in the subject's local area. The subject is in good/excellent condition with good appeal for the market area. The comparables selected in this analysis are similar properties to the subject property.

Presentation

The following presentation summarizes the comparables most similar to the subject property. A Rent Comparable Summation Table, Rent Comparable Location Map, Photo Pages, and analysis of the rent comparables is presented on the following pages.

RENT SUMMATION TABLE							
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5	COMPARABLE 6
Name	Austin Self Storage	Extra Space Storage	Extra Space Storage	U-Haul	North Main Street Self-Storage	Arco Self Storage	Security Public Storage
Address	183 South Austin Road	1735 E Yosemite Ave	652 S Main St	1190 S. Main Street	1280 N Main St	1654 N. Main St.	316 W Lathrop Rd
City	Manteca	Manteca	Manteca	Manteca	Manteca	Manteca	Manteca
State	CA	CA	CA	CA	CA	CA	CA
Zip	95336	95336	95337	95337	95336	95336	95336
PHYSICAL INFORMATION							
NRA	48,150	49,200	50,200	31,558	55,000	37,126	54,700
Year Built	2022	1985	2000	1980s	2004	1985	1980
Location	Average/Good	Average	Average	Good	Average	Good	Average
Quality	Good	Average	Average/Good	Average/Good	Average/Good	Average/Good	Average
Condition	Good	Average	Good	Average/Good	Average/Good	Average/Good	Average
Access	Average/Good	Average/Good	Average/Good	Good	Average	Good	Average/Good
Exposure	Average	Average/Good	Average/Good	Good	Average	Good	Average/Good
RENT INFORMATION							
Occupancy	100.0%	90.0%	92.0%	97.0%	86.0%	95.0%	96.5%
Number Units	396	492	527	360	550	370	547
Average SF/Unit	122	100	95	88	100	100	100
Security	Electronic Gate, Keypad Entry, Video Camera, Perimeter Fence, and Exterior Lighting	Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Unit Security Alarm, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Unit Security Alarm, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Unit Security Alarm, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Video Cameras	Electronic Gate, Exterior Lighting, On-Site Manager, Perimeter Fence, RV Storage, Video Cameras
Concessions	N/A	1/2 of first month; other web discounts	1ST month free	1 month free	Free move in truck	2nd month free	50% off 3 months rent on select units.

RENT COMPARABLE LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS
SUBJECT	-	Austin Self Storage	183 South Austin Road, Manteca, CA
No. 1	0.5 Miles	Extra Space Storage	1735 E Yosemite Ave, Manteca, CA
No. 2	1.9 Miles	Extra Space Storage	652 S Main St, Manteca, CA
No. 3	2.0 Miles	U-Haul	1190 S. Main Street, Manteca, CA
No. 4	2.3 Miles	North Main Street Self-Storage	1280 N Main St, Manteca, CA
No. 5	2.6 Miles	Arco Self Storage	1654 N. Main St., Manteca, CA
No. 6	3.0 Miles	Security Public Storage	316 W Lathrop Rd, Manteca, CA

RENT COMPARABLE PHOTOGRAPHS

**RENT COMP 1: EXTRA SPACE STORAGE****RENT COMP 2: EXTRA SPACE STORAGE****RENT COMP 3: U-HAUL****RENT COMP 4: NORTH MAIN STREET SS****RENT COMP 5: ARCO SELF-STORAGE****RENT COMP 6: SECURITY PUBLIC STORAGE**

MARKET RENT ANALYSIS

The table presented below displays the asking rent levels of each comparable and the overall comparable ranges for each standard unit type.

RENT COMPARABLE RANGE										
UNIT TYPE	SF/UNIT		COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	LOW	HIGH
5 x 5	25	/Unit	-	\$63	\$50	\$75	\$80	\$84	\$50	to \$84
		/SF	-	\$2.52	\$2.00	\$3.00	\$3.20	\$3.36	\$2.00	to \$3.36
5 x 10	50	/Unit	\$117	\$127	\$95	\$110	\$120	\$122	\$95	to \$127
		/SF	\$2.34	\$2.54	\$1.90	\$2.20	\$2.40	\$2.44	\$1.90	to \$2.54
5 x 15	75	/Unit	-	-	-	\$140	-	-	\$140	to \$140
		/SF	-	-	-	\$1.87	-	-	\$1.87	to \$1.87
10 x 10	100	/Unit	\$218	\$156	\$150	\$175	\$175	\$167	\$150	to \$218
		/SF	\$2.18	\$1.56	\$1.50	\$1.75	\$1.75	\$1.67	\$1.50	to \$2.18
10 x 15	150	/Unit	-	\$217	\$200	\$205	\$235	\$231	\$200	to \$235
		/SF	-	\$1.44	\$1.33	\$1.37	\$1.57	\$1.54	\$1.33	to \$1.57
10 x 20	200	/Unit	\$295	\$270	\$275	\$265	\$330	\$258	\$258	to \$330
		/SF	\$1.48	\$1.35	\$1.38	\$1.33	\$1.65	\$1.29	\$1.29	to \$1.65
10 x 25	250	/Unit	\$337	\$348	-	\$300	-	\$285	\$285	to \$348
		/SF	\$1.35	\$1.39	-	\$1.20	-	\$1.14	\$1.14	to \$1.39
10 x 30	300	/Unit	-	\$396	-	\$315	-	\$351	\$315	to \$396
		/SF	-	\$1.32	-	\$1.05	-	\$1.17	\$1.05	to \$1.32

POTENTIAL RENTAL INCOME

The following table presents the subject's actual and asking rent levels and the concluded rent for each unit type.

SELF-STORAGE POTENTIAL GROSS INCOME																		
UNIT		OCC		UNIT	TOTAL	OCC	OCC	ASKING RENT			RENT COMPARABLE		CONCLUDED MARKET RENT					
TYPE	DETAIL	UNITS	UNITS	SF	SF	SF	%	\$/UNIT	\$/SF	MONTHLY	RANGE \$/UNIT		\$/UNIT	\$/SF	MONTHLY	ANNUALLY		
5	x 10	Exterior	72	72	50	3,600	3,600	100%	\$121	\$2.43	\$8,747	\$95	to	\$127	\$120	\$2.40	\$8,640	\$103,680
10	x 10	Exterior	176	176	100	17,600	17,600	100%	\$196	\$1.96	\$34,408	\$150	to	\$218	\$195	\$1.95	\$34,320	\$411,840
10	x 15	Exterior	80	80	150	12,000	12,000	100%	\$256	\$1.70	\$20,450	\$200	to	\$235	\$225	\$1.50	\$18,000	\$216,000
10	x 20	Exterior	50	50	200	10,000	10,000	100%	\$354	\$1.77	\$17,682	\$258	to	\$330	\$300	\$1.50	\$15,000	\$180,000
10	x 25	Exterior	9	9	250	2,250	2,250	100%	\$337	\$1.35	\$3,035	\$285	to	\$348	\$325	\$1.30	\$2,925	\$35,100
10	x 30	Exterior	9	9	300	2,700	2,700	100%	\$360	\$1.20	\$3,242	\$315	to	\$396	\$350	\$1.17	\$3,150	\$37,800
TOTAL		-	396	396	122	48,150	48,150	100%	\$221	\$1.82	\$87,564	-	-		\$207	\$1.70	\$82,035	\$984,420

Unit Rent Conclusions

The subject's asking rent levels were derived from the proforma unit mix provided for this analysis. The concluded rent (\$1.70/SF) is generally based on the subject's asking rents (\$1.82/SF) as well as the high-end of the range of the rent comparables. A typical trend for self-storage facilities is as the square footage of the unit size increases the rent per square foot decreases. This trend generally exists for the concluded rents at the subject. For this region, a price of \$1.50/SF to \$2.00/SF is considered appropriate based on other newly constructed facilities. The subject falls near the middle of this range.

INCOME & EXPENSE ANALYSIS

The preceding section addressed potential risks associated with the income of the subject property. Having addressed potential risks, it is appropriate to analyze historical revenues and operating expenses. Operating expenses include those items necessary to maintain the subject property and generate income at the forecasted level. Expenses associated with debt financing, depreciation, or other accounting items are disregarded. Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. Also included on the table are the first-year revenue and projected revenue on a stabilized basis:

SUBJECT OPERATING HISTORICALS					
				COLLIERS FORECAST	
YEAR	STABILIZED PROFORMA			DCF YR 1	
INCOME ITEMS	TOTAL	\$/SF	%EGI	TOTAL	\$/SF
Self-Storage Rental Income	\$1,070,198	\$22.23	101.1%	\$984,420	\$20.44
Miscellaneous Income	\$68,446	\$1.42	6.5%	\$36,000	\$0.75
TOTAL OTHER INCOME	\$68,446	\$1.42	6.5%	\$36,000	\$0.75
POTENTIAL GROSS INCOME (PGI)	\$1,138,644	\$23.65	107.5%	\$1,020,420	\$21.19
Vacancy (Self-Storage)	(\$79,705)	(\$1.66)	(7.5%)	(\$78,754)	(\$1.64)
Concessions	\$0	-	0.0%	(\$19,688)	(\$0.41)
EFFECTIVE GROSS INCOME (EGI)	\$1,058,939	\$21.99	100.0%	\$921,978	\$19.15
EXPENSE ITEMS					
Real Estate Taxes	(\$29,040)	(\$0.60)	(2.7%)	(\$127,436)	(\$2.65)
Additional Tax Charges	\$0	-	0.0%	(\$3)	(\$0.00)
Property Insurance	(\$9,503)	(\$0.20)	(0.9%)	(\$9,600)	(\$0.20)
Utilities	(\$9,764)	(\$0.20)	(0.9%)	(\$9,600)	(\$0.20)
Building Repairs & Maintenance	(\$41,831)	(\$0.87)	(4.0%)	(\$40,900)	(\$0.85)
Off-Site Management	(\$52,947)	(\$1.10)	(5.0%)	(\$46,100)	(\$0.96)
On-Site Management	(\$35,798)	(\$0.74)	(3.4%)	(\$60,200)	(\$1.25)
Advertising	(\$3,171)	(\$0.07)	(0.3%)	(\$7,200)	(\$0.15)
General & Administrative	(\$32,295)	(\$0.67)	(3.0%)	(\$31,300)	(\$0.65)
Reserves	\$0	-	0.0%	(\$4,800)	(\$0.10)
TOTAL EXPENSES	(\$214,349)	(\$4.45)	(20.2%)	(\$337,139)	(\$7.00)
NET OPERATING INCOME (NOI)	\$844,590	\$17.54	79.8%	\$584,839	\$12.15

OTHER INCOME

In the following section, we analyzed and made conclusions for the other income items of the subject property.

OTHER INCOME ANALYSIS & CONCLUSIONS

MISCELLANEOUS INCOME				ANALYSIS	
YEAR	SUBJECT			INC. COMPS	
	TOTAL	\$/SF	%EGI	COMP	\$/SF
STABILIZED PROFORMA	\$68,446	\$1.42	6.5%	1	\$0.71
DCF YR 1	\$36,000	\$0.75	3.9%	2	\$0.75
				3	\$0.17
				4	\$0.67
				5	\$0.33
				6	\$0.25
				AVG	\$0.48
CONCLUSION	\$36,000	\$0.75	3.9%		

The concluded amount is all inclusive of income associated with miscellaneous income. The conclusion is based on the high-end of the expense comparables.

VACANCY & CONCESSIONS

This category accounts for the time period between tenants, as well as possible prolonged vacancies under slow market conditions. This assignment reflects the probable stabilized vacancy during the economic life of the property and not necessarily the current or short-term vacancy. Overall vacancy in the subject's area is 7.6%, according to our recent Colliers International Valuation & Advisory Services survey. The subject is currently 100.0% occupied on a per unit basis and 100.0% occupied on a per square foot basis. The significant difference between the per unit and per square foot occupancy is due to the large None spaces. Property managers and brokers that are familiar with this market indicate occupancy rates of 90% to 95% depending on age and location. Based on the above information, a vacancy rate of **8%** is concluded for the self-storage units. This amount

includes any concessions and credit loss associated with the property.

GENERAL VACANCY CONCLUSION	
National	14.1%
West	13.9%
Stockton	10.7%
Outer Suburbs	12.3%
Competitive Set	7.6%
GENERAL VACANCY RATE CONCLUSIONS	8.0%
CONCESSIONS	2.0%

Concessions

It has become an industry standard to break out concessions from physical vacancy. Concessions will generally always be offered at a self-storage facility, it is just a matter of how much. Average concessions can range from as low as 1% to as high as 5% of total revenue. Current occupancy levels and conversations with local participants indicate there are some specials offered as of the effective date and concessions are generally limited to credit loss. Given the saturation and occupancy levels of competing properties, a concessions estimate of **2%** is considered to be a reasonable for the subject property.

EFFECTIVE GROSS INCOME (EGI) CONCLUSION

Effective gross income equals the potential gross income less vacancy and concessions, and is stated as follows:

EFFECTIVE GROSS INCOME (EGI)					
YEAR	TOTAL	\$/SF	\$/UNIT	%EGI	ANALYSIS
STABILIZED PROFORMA	\$1,058,939	\$21.99	\$2,674	100%	The stabilized proforma is based on the subject's proforma data and is supported based on the data that is available in the subject's market.
DCF YR 1	\$921,978	\$19.15	\$2,328	100%	

Analysis of Operating Expenses

Expenses are estimated based on one or more of the following sources: (1) historical or projected operation of the subject; (2) comparable expense properties; (3) published operating sources; or (4) individual suppliers. The expense comparables reflect varying accounting methods with respect to individual line items and reserves for replacement expenses. On a line-item basis, due to the variances in accounting and classification, their applicability is diminished. The following section provides supporting information and discusses the individual expense conclusions for the subject property. The operating expenses for the subject property were presented previously. The following chart summarizes comparable expenses as well as available published operating expense data.

EXPENSE COMPARABLES

COMPARABLE	COMP 1	COMP 2	COMP 3	COMP 4	COMP 5	COMP 6	NAT'L	COLLIERS	LOW	HIGH	AVG
Expense Year	2020	2020	2020	2020	2020	2020	2020	2020	-	-	-
Actual/Budget	Actual	Actual	Actual	Actual	Actual	Actual	Varies	Varies	-	-	-
Net Rentable Area	61,745	68,255	69,860	73,836	144,214	64,845	Varies	Varies	61,745	144,214	80,459
Rental Income	\$14.70	\$13.08	\$15.86	\$12.59	\$16.57	10.44	N/Av	N/Av	\$10.44	\$16.57	\$13.87
Miscellaneous Income	\$0.71	\$0.75	\$0.17	\$0.67	\$0.33	\$0.25	N/Av	N/Av	\$0.17	\$0.75	\$0.48
Miscellaneous Income % EGI	4.6%	5.5%	1.1%	5.1%	2.0%	2.3%	N/Av	N/Av	1.1%	5.5%	3.4%
EGI (\$/SF)	\$15.41	\$13.71	\$16.03	\$13.26	\$16.90	\$10.69	N/AV	N/AV	\$10.69	\$16.90	\$14.33
EXPENSE ITEMS	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	\$/SF	LOW	HIGH	AVG
Real Estate Taxes	\$2.39	\$0.72	\$2.23	\$0.89	\$1.42	\$0.60	\$0.64	\$0.60	\$0.60	\$2.39	\$1.19
Property Insurance	\$0.16	\$0.17	\$0.31	\$0.08	\$0.24	\$0.13	\$0.15	\$0.18	\$0.08	\$0.31	\$0.18
Utilities	\$0.23	\$0.12	\$0.59	\$0.19	\$0.20	\$0.11	\$0.25	\$0.30	\$0.11	\$0.59	\$0.25
Building Repairs & Maintenance	\$0.29	\$0.22	\$0.22	\$0.72	\$0.24	\$0.15	\$0.20	\$0.20	\$0.15	\$0.72	\$0.28
Off-Site Management	\$0.18	\$0.14	\$0.80	\$0.66	\$0.85	\$0.43	\$0.38	\$0.41	\$0.14	\$0.85	\$0.48
On-Site Management	\$1.27	\$1.04	\$0.68	\$1.42	\$0.76	\$1.25	\$0.80	\$0.84	\$0.68	\$1.42	\$1.01
Advertising	\$0.63	\$0.58	\$0.05	\$0.30	\$0.15	\$0.12	\$0.34	\$0.25	\$0.05	\$0.63	\$0.30
General & Administrative	\$0.37	\$0.26	\$0.56	\$0.70	\$0.86	\$0.44	\$0.39	\$0.65	\$0.26	\$0.86	\$0.53
Reserves	\$0.10	\$0.10	\$0.10	\$0.15	\$0.10	\$0.15	\$0.10	\$0.10	\$0.10	\$0.15	\$0.11
TOTAL EXPENSES (\$/SF)	\$5.62	\$3.35	\$5.54	\$5.11	\$4.82	\$3.38	\$3.25	\$3.53	\$3.25	\$5.62	\$4.32

Conclusion of Operating Expenses

In the following section we discuss the individual expense conclusions for the subject property.

EXPENSE ANALYSIS & CONCLUSIONS

REAL ESTATE TAXES							ANALYSIS				
YEAR	SUBJECT			EXPENSE COMPS			The concluded taxes are based on California's Proposition 13. As such, the concluded taxes represent 100% of the concluded stabilized value indicated by the Direct Capitalization Method multiplied by the current ad valorem tax rate. Please refer to the Assessments and Taxes section for additional details.				
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI					
STABILIZED PROFORMA	\$29,040	\$0.60	2.7%	1	\$2.39	15.5%					
DCF YR 1	\$127,436	\$2.65	13.8%	2	\$0.72	5.3%					
				3	\$2.23	13.9%					
				4	\$0.89	10.7%					
				5	\$1.42	8.4%					
				6	\$0.60	5.6%					
CONCLUSION	\$127,436	\$2.65	13.8%	AVG	\$1.38	9.9%					
ADDITIONAL TAX CHARGES							ANALYSIS				
YEAR	SUBJECT			EXPENSE COMPS			The concluded additional tax charges are based on the subject's current taxes. Please refer to the Assessments and Taxes section for additional details.				
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI					
STABILIZED PROFORMA	\$0		0.0%	1	-	-					
DCF YR 1	\$3	\$0.00	0.0%	2	-	-					
				3	-	-					
				4	-	-					
				5	-	-					
				6	-	-					
CONCLUSION	\$3.00	\$0.00	0.0%	AVG	-	-					
PROPERTY INSURANCE							ANALYSIS				
YEAR	SUBJECT			EXPENSE COMPS			This expense includes all premiums and costs incurred for insurance covering structures, public liability, rental value, and equipment. The conclusion is based on the stabilized proforma historical expense and expense comparable range.				
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI					
STABILIZED PROFORMA	\$9,503	\$0.20	0.9%	1	\$0.16	1.0%					
DCF YR 1	\$9,600	\$0.20	1.0%	2	\$0.17	1.2%					
				3	\$0.31	1.9%					
				4	\$0.08	0.7%					
				5	\$0.24	1.4%					
				6	\$0.13	1.2%					
CONCLUSION	\$9,600	\$0.20	1.0%	AVG	\$0.18	1.3%					

UTILITIES						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$9,764	\$0.20	0.9%	1	\$0.23	1.5%
DCF YR 1	\$9,600	\$0.20	1.0%	2	\$0.12	0.9%
				3	\$0.59	3.7%
				4	\$0.19	2.0%
				5	\$0.20	1.4%
				6	\$0.11	1.0%
CONCLUSION	\$9,600	\$0.20	1.0%	AVG	\$0.24	1.8%

ANALYSIS
Utilities include gas, electricity, water, sewer, and trash removal. The conclusion is based on the stabilized proforma historical expense and expense comparable range.

BUILDING REPAIRS & MAINTENANCE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$41,831	\$0.87	4.0%	1	\$0.29	1.9%
DCF YR 1	\$40,900	\$0.85	4.4%	2	\$0.22	1.6%
				3	\$0.22	1.4%
				4	\$0.72	1.8%
				5	\$0.24	1.4%
				6	\$0.15	1.4%
CONCLUSION	\$40,900	\$0.85	4.4%	AVG	\$0.31	1.6%

ANALYSIS
This expense item includes expenses related to routine maintenance and repairs to the buildings at the subject. The conclusion is based on the stabilized proforma historical expense.

OFF-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$52,947	\$1.10	5.0%	1	\$0.18	1.2%
DCF YR 1	\$46,100	\$0.96	5.0%	2	\$0.14	1.0%
				3	\$0.80	5.0%
				4	\$0.66	0.0%
				5	\$0.85	0.0%
				6	\$0.43	4.0%
CONCLUSION	\$46,100	\$0.96	5.0%	AVG	\$0.51	1.9%

ANALYSIS
This expense reflects the professional management service for the subject. Typical expenses for this category range from 4.0% to 6.0%. The conclusion is based on the typical range with support from the range of the expense comparables.

ON-SITE MANAGEMENT						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$35,798	\$0.74	3.4%	1	\$1.27	8.2%
DCF YR 1	\$60,200	\$1.25	6.5%	2	\$1.04	7.6%
				3	\$0.68	4.2%
				4	\$1.42	3.0%
				5	\$0.76	4.5%
				6	\$1.25	11.7%
CONCLUSION	\$60,200	\$1.25	6.5%	AVG	\$1.07	6.5%

ANALYSIS
This expense includes wages, salaries, and free rent for the on-site management. The conclusion is based on the expense comparable information.

ADVERTISING						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$3,171	\$0.07	0.3%	1	\$0.63	4.1%
DCF YR 1	\$7,200	\$0.15	0.8%	2	\$0.58	4.2%
				3	\$0.05	0.3%
				4	\$0.30	0.7%
				5	\$0.15	0.9%
				6	\$0.12	1.1%
CONCLUSION	\$7,200	\$0.15	0.8%	AVG	\$0.31	1.9%

ANALYSIS
This expense includes marketing, advertising and promoting the subject property. The conclusion is based on the expense comparable information.

GENERAL & ADMINISTRATIVE						
YEAR	SUBJECT			EXPENSE COMPS		
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI
STABILIZED PROFORMA	\$32,295	\$0.67	3.0%	1	\$0.37	2.4%
DCF YR 1	\$31,300	\$0.65	3.4%	2	\$0.26	1.9%
				3	\$0.56	3.5%
				4	\$0.70	2.4%
				5	\$0.86	5.1%
				6	\$0.44	4.1%
CONCLUSION	\$31,300	\$0.65	3.4%	AVG	\$0.53	3.2%

ANALYSIS
This expense includes office supplies, accounting, legal fees, other professional fees, and all other administrative costs. The conclusion is based on the stabilized proforma historical expense.

RESERVES							ANALYSIS
YEAR	SUBJECT			EXPENSE COMPS			Reserves for replacements are not typical cash expenditures, but rather the annualized cost of major expense in the future. Typical expenses for this category range from \$0.10/SF to \$0.15/SF. The conclusion is based on the typical range.
	TOTAL	\$/SF	%EGI	COMP	\$/SF	%EGI	
STABILIZED PROFORMA	\$0		0.0%	1	\$0.10	0.6%	
DCF YR 1	\$4,800	\$0.10	0.5%	2	\$0.10	0.7%	
				3	\$0.10	0.6%	
				4	\$0.15	10.0%	
				5	\$0.10	10.0%	
				6	\$0.15	1.4%	
CONCLUSION	\$4,800	\$0.10	0.5%	AVG	\$0.12	3.9%	
TOTAL EXPENSES		LOW	HIGH	CONCLUSION			
SUBJECT HISTORICAL \$/SF		\$4.45	\$4.45	The concluded expenses are supported based on the subject's stabilized proforma expenses, the expense comparables as well as the sale comparables.			
EXPENSE COMPARABLES \$/SF		\$3.25	\$5.62				
SALE COMPARABLE \$/SF		\$5.70	\$11.99				
SUBJECT HISTORICAL %EGI		\$0.20	\$0.20				
EXPENSE COMPARABLES %EGI		\$0.24	\$0.39				
SALE COMPARABLES %EGI		\$0.34	\$0.48				
TOTAL EXPENSES \$/SF		\$7.00					
TOTAL EXPENSES %EGI		36.6%					
TOTAL EXPENSES		\$337,139					

INVESTMENT MARKET ANALYSIS

Development of Capitalization Rate

The going-in capitalization rate, also known as overall rate (OAR), can be determined using several sources and methods. In developing our opinion of OAR, the following techniques were used:

- › Comparable Sales (Sales Comparison Approach)
- › Supplemental Comparables
- › Band of Investment Technique

Comparable Sales

The following table presents a summary of the comparable sales used ahead in the Sales Comparison Approach, and the capitalization rates from each of those sales. We have included additional sales (Comparables 6 thru 13) to further support capitalization rate trends for the subject property.

CAPITALIZATION RATE COMPARABLES (OAR)

NAME	CITY	ST	SALE DATE	YR BLT	NRA	\$/SF	UNITS	\$/UNIT	SALE PRICE	CAP RATE
1 Life Storage Woodland	Woodland	CA	January 21, 2021	2019	90,098	\$201	843	\$21,471	\$18,100,000	5.63%
2 Empire Ranch Self Storage	Folsom	CA	April 20, 2020	2006	59,875	\$221	505	\$26,238	\$13,250,000	4.50%
3 Monterey Self Storage	Monterey	CA	February 13, 2020	1997	25,222	\$317	405	\$19,753	\$8,000,000	5.43%
4 Miller Self-Storage	Carmel Valley	CA	February 13, 2020	1981	16,219	\$240	135	\$28,848	\$3,894,500	5.65%
5 Lockaw ay Storage	Castro Valley	CA	January 9, 2019	2007	31,877	\$285	200	\$45,500	\$9,100,000	4.50%
LOW			Jan 2019							4.50%
HIGH			Feb 2021							5.65%
AVERAGE			Apr 2020							5.19%
MEDIAN			Feb 2020							5.43%

SUPPLEMENTAL COMPARABLES

NAME	CITY	ST	SALE DATE	YR BLT	NRA	\$/SF	UNITS	\$/UNIT	SALE PRICE	CAP RATE
6 Elk Grove Personal Storage	Elk Grove	CA	September 15, 2020	1980	26,650	\$173	273	\$16,850	\$4,600,000	5.10%
7 Able Taylor Road Self-Storage	Loomis	CA	December 24, 2020	2001	92,945	\$167	644	\$24,068	\$15,500,000	5.16%
8 Storage By George	Napa	CA	January 1, 2020	2000	108,000	\$375	1300	\$31,154	\$40,500,500	4.75%
9 Cordelia Self-Storage	Fairfield	CA	September 16, 2019	1997	69,860	\$173	545	\$22,211	\$12,105,000	5.56%
10 Vacaville Self-Storage	Vacaville	CA	November 8, 2019	1999	54,930	\$174	657	\$14,528	\$9,545,000	5.50%
11 Lockaw ay Storage	Sunnyvale	CA	February 26, 2021	1987	44,782	\$402	400	\$45,000	\$18,000,000	4.80%
12 Blanco Self Storage	Salinas	CA	January 25, 2021	1999	76,920	\$189	636	\$22,838	\$14,525,000	4.43%
13 15 Delfino Place	Carmel Valley	CA	January 12, 2020	1981	16,176	\$247	134	\$29,851	\$4,000,000	6.10%
LOW			Jan 2019							4.43%
HIGH			Feb 2021							6.10%
AVERAGE			Apr 2020							5.18%
MEDIAN			Feb 2020							5.13%
INDICATED CAPITALIZATION RATE (OAR)										5.00%

For this analysis, we have provided six primary sales comparables, which are later presented in the Sales Comparison Approach. These primary sales have capitalization rates ranging from 4.50% to 5.65%, with an average of 5.19% and a median of 5.43%. To more comprehensively illustrate capitalization rate trends in the market, we have also provided nine supplemental comparables. These eight secondary sales have capitalization rates ranging from 4.43% to 6.10%, with an average of 5.18% and a median of 5.13%. With consideration of the comparable data presented for this analysis, a capitalization rate of **5.00%** is most reasonable and indicated for the subject property.

Investor Surveys

The potential investor pool for the subject asset includes national, regional and local investors. While all of these groups place emphasis on local cap rates, regional and national investors would also strongly consider national cap rate trends from investor surveys due to the potential to invest in other regions that are offering competitive rates of return. The chart below was taken from www.pwc.com, a PwC Real Estate Investor Survey indicating overall capitalization rates for niche markets throughout the country. The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.

Table NSS-1

NATIONAL SELF-STORAGE MARKET^(f)

First Quarter 2021

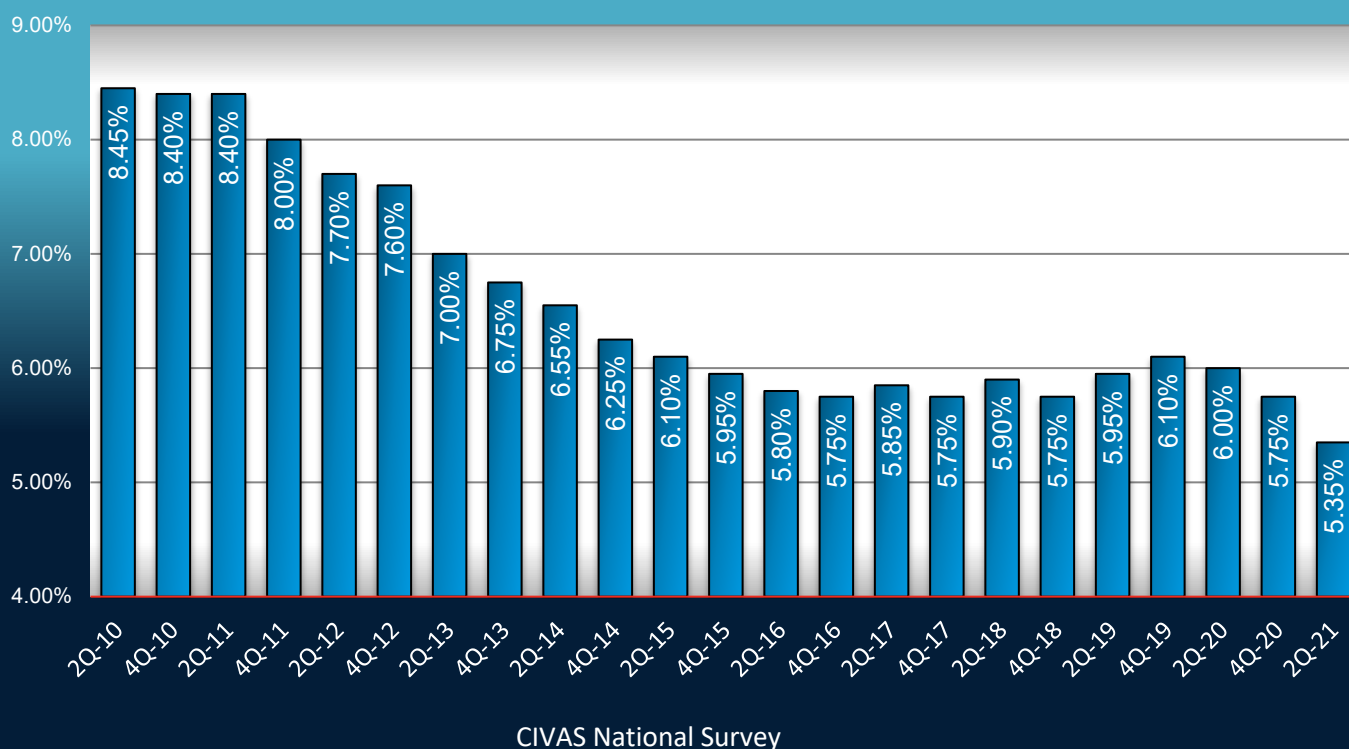
	CURRENT	3Q 2020	YEAR AGO	3 YEARS AGO
DISCOUNT RATE (IRR)^a				
Range	5.50% – 11.00%	5.50% – 11.00%	5.50% – 11.00%	5.00% – 9.00%
Average	8.25%	8.25%	8.00%	6.91%
Change (Basis Points)		0	+25	+134
OVERALL CAP RATE (OAR)^a				
Range	4.50% – 7.00%	4.50% – 7.00%	4.50% – 7.00%	4.50% – 7.00%
Average	5.65%	5.68%	5.67%	5.65%
Change (Basis Points)		-3	-2	0
RESIDUAL CAP RATE				
Range	5.00% – 8.00%	5.00% – 8.00%	5.00% – 8.00%	5.00% – 7.50%
Average	6.00%	6.04%	6.04%	6.04%
Change (Basis Points)		-4	-4	-4
MARKET RENT CHANGE^b				
Range	2.00% – 6.00%	2.00% – 8.00%	2.00% – 7.00%	0.00% – 15.00%
Average	3.50%	3.75%	3.71%	4.29%
Change (Basis Points)		-25	-21	-79
EXPENSE CHANGE^b				
Range	2.00% – 5.00%	2.00% – 5.00%	2.00% – 4.00%	2.00% – 5.00%
Average	2.92%	2.92%	2.83%	3.00%
Change (Basis Points)		0	+9	-8
MARKETING TIME^c				
Range	1 – 6	1 – 6	1 – 6	1 – 6
Average	3.2	3.2	3.3	2.7
Change (▼, ▲, =)		=	▼	▲

a. Rate on unleveraged, all-cash transactions b. Initial rate of change c. In months;

(f) includes climate-controlled and nonclimate-controlled assets

The following graph provides a historical illustration of capitalization rate statistics as surveyed by investors that we considered to be relevant to the subject property.

National Capitalization Rate Averages (Last 12 Years)



National Survey

The rates indicated above are an average of hundreds of sales that have occurred throughout the last six months. These averages include A to C quality facilities, as well as portfolio transactions. Based on the information above, there has been a significant change to national capitalization rates over the last year, during the pandemic. The national average according to Colliers International was 5.75% as of the 4th Quarter 2020, but declined approximately 40 points to 5.35% in 2Q 2021. This is due to the limited number of facilities available for sale, interest from current market participants as well as new debt coming into the market. Storage provides good underlying market fundamentals compared to other property types. Most investors expect overall capitalization rates for self-storage remain stable through the remainder of the year.

Band of Investment Technique

Because most properties are purchased with debt and equity capital, the overall capitalization rate must satisfy the market return requirements of both investment positions. Lenders must anticipate receiving a competitive interest rate commensurate with the perceived risk of the investment or they will not make funds available. Lenders also require that the principal amount of the loan be repaid through amortization payments. Similarly, equity investors must anticipate receiving a competitive equity cash return commensurate with the perceived risk or they will invest their funds elsewhere.

To analyze the capitalization rate from a financial position, the Band of Investment Technique is used. Available financing information indicates the following terms:

BAND OF INVESTMENT ASSUMPTIONS	
Loan Amortization Period	30 Years
Interest Rate	3.50%
Loan-to-Value (LTV) Ratio	70%
Mortgage Constant	5.39%

Equity dividend rates vary depending upon motivations of buyers and financing terms. The previous terms and an appropriate equity dividend rate are used in the Band of Investments calculations, which are presented on the following chart.

BAND OF INVESTMENT CALCULATION					
Mortgage Component	70%	x	5.39%	=	3.772%
Equity Component	30%	x	5.00%	=	1.500%
Indicated Capitalization Rate					5.272%
INDICATED CAPITALIZATION RATE					5.27%

Capitalization Rate Conclusion

Taking all factors into consideration, the following table summarizes the various capitalization rate indicators and provides the final capitalization rate conclusion.

CAPITALIZATION RATE CONCLUSION (OAR)				
SOURCE	QUARTER	RANGE		AVG
Comparable Sales		4.50%	to 5.65%	5.19%
Supplemental Comparable Sales		4.43%	to 6.10%	5.18%
Pw C	1Q 21	4.50%	to 7.00%	5.68%
Colliers	2Q 21	-	to -	5.50%
Local Brokers	3Q 21	4.50%	to 5.50%	5.00%
Band of Investment Technique				5.27%
CAPITALIZATION CONCLUSION				5.00%

DIRECT CAPITALIZATION

This method analyzes the relationship of one year's stabilized net operating income to total property value. The stabilized net operating income is capitalized at a rate that implicitly considers expected growth in cash flow and growth in property value over a buyer's investment horizon. The implied value may be adjusted to account for non-stabilized conditions or required capital expenditures to reflect an as is value.

The following table summarizes our opinion of market value via direct capitalization for the subject property's As-Is Value using year 1 of the DCF as of September 9, 2021.

DIRECT CAPITALIZATION SUMMATION TABLE				
INCOME ITEMS	%PGI	%EGI	\$/SF	TOTAL
Self-Storage Rental Income	96.5%	106.8%	\$20.44	\$984,420
Miscellaneous Income	3.5%	3.9%	\$0.75	\$36,000
POTENTIAL GROSS INCOME (PGI)	100.0%	110.7%	\$21.19	\$1,020,420
INCOME LOSS				
Vacancy (Self-Storage)	(8.0%)		(\$1.64)	(\$78,754)
Concessions	(2.0%)		(\$0.41)	(\$19,688)
TOTAL INCOME LOSS	(9.6%)		(\$2.04)	(\$98,442)
EFFECTIVE GROSS INCOME (EGI)	90.4%		\$19.15	\$921,978
EXPENSE ITEMS				
Real Estate Taxes	(12.5%)	(13.8%)	(\$2.65)	(\$127,436)
Additional Tax Charges	(0.0%)	(0.0%)	(\$0.00)	(\$3)
Property Insurance	(0.9%)	(1.0%)	(\$0.20)	(\$9,600)
Utilities	(0.9%)	(1.0%)	(\$0.20)	(\$9,600)
Building Repairs & Maintenance	(4.0%)	(4.4%)	(\$0.85)	(\$40,900)
Off-Site Management	(4.5%)	(5.0%)	(\$0.96)	(\$46,100)
On-Site Management	(5.9%)	(6.5%)	(\$1.25)	(\$60,200)
Advertising	(0.7%)	(0.8%)	(\$0.15)	(\$7,200)
General & Administrative	(3.1%)	(3.4%)	(\$0.65)	(\$31,300)
Reserves	(0.5%)	(0.5%)	(\$0.10)	(\$4,800)
TOTAL EXPENSES	(33.0%)	(36.6%)	(\$7.00)	(\$337,139)
NET OPERATING INCOME (NOI)	57.3%	63.4%	\$12.15	\$584,839
Capitalization Rate				5.00%
Capitalized Value				\$11,696,774
PROSPECTIVE VALUE UPON STABILIZATION			\$243/SF	\$11,700,000
Lease- Up Costs				
Rent Loss				(\$806,698)
Marketing				(\$72,864)
Total Lease-Up Costs				(\$879,562)
Entrepreneurial Profit				(\$585,000)
TOTAL LEASE-UP COSTS				(\$1,464,562)
TOTAL LEASE-UP COSTS (ROUNDED)				(\$1,460,000)
PROSPECTIVE VALUE UPON COMPLETION			\$213/SF	\$10,240,000

Rounded to nearest \$10,000

Lease-Up Analysis

Regarding lease-up costs our stabilized occupancy level estimate of 92%. As such, lease-up costs associated with the subject achieving stabilization are warranted in arriving at the As-Is Market Value.

The following table shows the absorption costs for the subject. Based on a lease up rate of 16 Unit leased monthly a rent loss is estimated at \$806,698. Additionally, it is estimated that the subject will need to offer a strong concession of 1 to 2 months free, to promote occupancy and move-in at \$200 per unit. A 5.0% profit component is also included. Total lease up costs including marketing and profit total \$1,460,000.

LEASE-UP ANALYSIS					
TOTAL UNITS		396	UNITS OCCUPIED	0	
ABSORPTION RATE UNITS/MONTH		16	PGI/UNIT/MONTH	\$215	
STABILIZED OCCUPANCY (364 UNITS)		92.0%	DISCOUNT RATE	10.00%	
MONTH	UNITS ABSORBED	UNITS REMAINING	UNITS OCCUPIED	RENT LOSS (PER MONTH)	PRESENT VALUE OF RENT LOSS
1	16	348	16	\$74,771	\$74,153
2	16	332	32	\$71,378	\$70,203
3	16	317	47	\$67,985	\$66,313
4	16	301	63	\$64,592	\$62,483
5	16	285	79	\$61,199	\$58,712
6	16	269	95	\$57,807	\$54,999
7	16	253	111	\$54,414	\$51,343
8	16	238	126	\$51,021	\$47,744
9	16	222	142	\$47,628	\$44,200
10	16	206	158	\$44,235	\$40,713
11	16	190	174	\$40,843	\$37,279
12	16	174	190	\$37,450	\$33,900
13	16	159	205	\$34,057	\$30,574
14	16	143	221	\$30,664	\$27,301
15	16	127	237	\$27,271	\$24,079
16	16	111	253	\$23,879	\$20,909
17	16	95	269	\$20,486	\$17,790
18	16	80	284	\$17,093	\$14,721
19	16	64	300	\$13,700	\$11,702
20	16	48	316	\$10,307	\$8,731
21	16	32	332	\$6,914	\$5,809
22	16	16	348	\$3,522	\$2,934
23	16	1	363	\$129	\$106
24	1	0	364	\$0	\$0
TOTAL LOST RENTAL INCOME					\$806,698
MARKETING @ \$200/UNIT					\$72,864
PROFIT @ 5.0% of \$11,700,000 (Prospective Value)					\$585,000
TOTAL LOST INCOME					\$1,460,000

Rounded to nearest \$10,000

DISCOUNTED CASH FLOW ANALYSIS

The Discounted Cash Flow (DCF) analysis models a property's performance over a buyer's investment horizon from the current as is status of the property, to projected stabilization of operations and through the projected sale of the property at the end of the holding period. Net cash flows from property operations and the reversion are discounted at rates reflective of the property's economic and physical risk profile.

The parameters for the assumptions employed in the discounted cash flow (DCF) are based on our experience in appraising similar properties, information derived from comparables sales, and on information contained in investor surveys conducted by national real estate companies. Since most self-storage investors do not perform a DCF analysis, the data is not well defined. The following cash flow assumptions reflect a stabilized scenario with annual vacancies remaining level over the next ten years. Support for rent and expense growth rates, as well as our assumptions applied in the DCF are presented next.

Vacancy and Concessions

This category was discussed in depth in the market analysis section of this report. Please reference that discussion for a full analysis. Our conclusions incorporated into the cash flow model are summarized in the tables which follow:

INCOME LOSS ASSUMPTIONS										
YEAR ENDING	YEAR 1 AUG-22	YEAR 2 AUG-23	YEAR 3 AUG-24	YEAR 4 AUG-25	YEAR 5 AUG-26	YEAR 6 AUG-27	YEAR 7 AUG-28	YEAR 8 AUG-29	YEAR 9 AUG-30	YEAR 10 AUG-31
Vacancy (Self-Storage)	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%	8.00%
Concessions	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%

Rent Growth Projection

Below is information provided by forward looking investor surveys that we used to support rent growth:

MARKET RENT CHANGE FORECAST			
SOURCE	QUARTER	RANGE	AVG
PriceWaterhouse Coopers			
National Warehouse	1Q 21	0.00% to 5.00%	1.19%
Domestic Self-Storage	1Q 21	2.00% to 6.00%	3.50%
AVERAGE		1.0% to 5.5%	2.3%

Expense Growth

Below is information provided by investor surveys that we used to support expense growth:

EXPENSE CHANGE			
SOURCE	QUARTER	RANGE	AVG
PriceWaterhouse Coopers			
National Warehouse	1Q 21	2.00% to 5.00%	3.00%
Domestic Self-Storage	1Q 21	2.00% to 5.00%	2.92%
AVERAGE		2.0% to 5.0%	3.0%

Inflation Assumptions

The following table summarizes all inflation assumptions that were used in our DCF analysis:

INFLATION ASSUMPTIONS

YEAR ENDING	YEAR 1 AUG-22	YEAR 2 AUG-23	YEAR 3 AUG-24	YEAR 4 AUG-25	YEAR 5 AUG-26	YEAR 6 AUG-27	YEAR 7 AUG-28	YEAR 8 AUG-29	YEAR 9 AUG-30	YEAR 10 AUG-31
Rent	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Other Income	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Expenses	-	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
Taxes	-	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%	2.0%

NOI and Cash Flow Growth

NOI and cash flow growth over the investment holding period is a key measure to investors. The growth forecast is measured against the risks of ownership, and play a significant role in determining value. The subject's growth forecast is presented below. These figures are derived from the cash flow presented later in the report, measuring the growth from the first stabilized year through the last year of the holding period.

NET OPERATING INCOME & CASH FLOW GROWTH

	FIRST STABILIZED YEAR OF HOLDING PERIOD	LAST YEAR OF HOLDING PERIOD BEFORE SALE	NUMBER OF PERIODS FOR CAGR CALCULATION	
	YEAR 1	YEAR 10	YEARS	CAGR
NOI	\$584,839	\$777,058	9	3.21%
Cash Flow	\$584,839	\$777,058	9	3.21%

Compound Annual Growth Rate (CAGR) measured from first stabilized year through last year of holding period.

The subject's NOI and cash flow growth is considered to be typical, when compared to alternative investments. This rate of growth will be considered in our investment rates selected for the valuation of this asset.

DCF INVESTMENT MARKET ANALYSIS

Development of Terminal OAR (Terminal Capitalization Rate)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing our opinion of Terminal OAR. Taking all factors into consideration, the following table summarizes the various terminal rate indicators and provides the final terminal capitalization rate conclusion.

TERMINAL CAPITALIZATION RATE CONCLUSION

SOURCE	QUARTER	RANGE	AVG
PriceWaterhouse Coopers			
National Warehouse <i>Capitalization Vs Discount Spread</i>	4Q 20	5.00% to 11.00%	5.68% 202 bps
National Self-Storage <i>Going-In Vs Terminal Spread</i>	1Q 21	5.00% to 8.00%	6.21% 56 bps
Market Participant Interview	1Q 21	5.00% to 8.00%	6.50%
TERMINAL CAPITALIZATION RATE CONCLUSION			5.50%

There is a 50 bps spread between the subject's going-in capitalization rate of 5.00% and the selected terminal capitalization rate above of 5.50%. This spread is supported by the investor survey results and our discussions with market participants.

Development of Discount Rate (IRR)

Investor surveys, discussions with market participants and the subject's investment characteristics were considered in developing our opinions of Discount Rates. Taking all factors into consideration, the following table summarizes the various discount rate indicators and provides the final discount rate conclusion.

DISCOUNT RATE (IRR) CONCLUSIONS			
SOURCE	QUARTER	RANGE	AVG
PriceWaterhouse Coopers			
National Warehouse	1Q 21	5.00% to 7.50%	6.08%
<i>Capitalization Vs Discount Spread</i>			43 bps
National Self Storage	1Q 21	5.00% to 11.00%	8.25%
<i>Capitalization Vs Discount Spread</i>			260 bps
Market Participant Interview			
Local Brokers	3Q 21	7.00% to 11.00%	8.50%
DISCOUNT RATE IRR CONCLUSION (CASH FLOW)			7.25%
DISCOUNT RATE IRR CONCLUSION (REVERSION)			7.25%

DCF Assumptions

The following are the assumptions incorporated into our DCF analysis:

DCF ASSUMPTIONS	
Cash Flow Software	Colliers International Excel Model
Base Scenario	PROSPECTIVE VALUE UPON STABILIZATION
Cash Flow Start Date	Sep-21
Calendar or Fiscal Analysis	Fiscal
Investment Holding Period	10 years
Analysis Projection Period	11 years
Internal Rate of Return (Cash Flow)	7.25%
Internal Rate of Return (Reversion)	7.25%
Terminal Capitalization Rate	5.50%
Reversionary Sales Cost	2.00%
Basis Point Spread (OARout vs. OARin)	50 pts

Cost of Sale

The cost of selling the property at the end of the investment holding period must be deducted from the capitalized value. These costs include sales commissions, and any other closing costs that would normally be included as a deduction within the local marketplace. Based on our experience in the market and analysis of recent transactions and offerings, we utilized a Cost of Sale at Reversion of 2.00%.

Capital Expenditures

Deferred maintenance is measured as the cost of repairing or restoring the item to new or reasonably new condition. Based on our interview with the property manager and the onsite inspection by the field appraiser, no observable deferred maintenance exists.

Cash Flow Projection

On the following page is our cash flow projection.

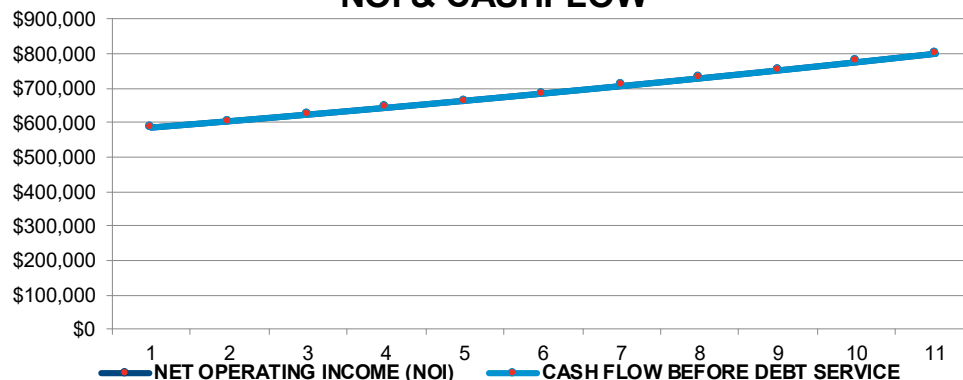
DISCOUNTED CASH FLOW ANALYSIS

ANNUAL
GROWTH

AUSTIN SELF STORAGE

Year	1	2	3	4	5	6	7	8	9	10	REVERSION	
For the Years Beginning	Sep-21	Sep-22	Sep-23	Sep-24	Sep-25	Sep-26	Sep-27	Sep-28	Sep-29	Sep-30	Sep-31	Year 1 -
For the Years Ending	Aug-22	Aug-23	Aug-24	Aug-25	Aug-26	Aug-27	Aug-28	Aug-29	Aug-30	Aug-31	Aug-32	Year 10
Self-Storage Rental Income	\$984,420	\$1,013,953	\$1,044,372	\$1,075,703	\$1,107,974	\$1,141,213	\$1,175,449	\$1,210,712	\$1,247,033	\$1,284,444	\$1,322,977	3.00%
TOTAL RENTAL INCOME	\$984,420	\$1,013,953	\$1,044,372	\$1,075,703	\$1,107,974	\$1,141,213	\$1,175,449	\$1,210,712	\$1,247,033	\$1,284,444	\$1,322,977	3.00%
OTHER INCOME												
Miscellaneous Income	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,276	\$45,604	\$46,972	\$48,381	3.00%
TOTAL OTHER INCOME	\$36,000	\$37,080	\$38,192	\$39,338	\$40,518	\$41,734	\$42,986	\$44,276	\$45,604	\$46,972	\$48,381	3.00%
POTENTIAL GROSS INCOME (PGI)	\$1,020,420	\$1,051,033	\$1,082,564	\$1,115,041	\$1,148,492	\$1,182,947	\$1,218,435	\$1,254,988	\$1,292,637	\$1,331,416	\$1,371,358	3.00%
Vacancy (Self-Storage)	(\$78,754)	(\$81,116)	(\$83,550)	(\$86,056)	(\$88,638)	(\$91,297)	(\$94,036)	(\$96,857)	(\$99,763)	(\$102,756)	(\$105,838)	3.00%
Concessions	(\$19,688)	(\$20,279)	(\$20,887)	(\$21,514)	(\$22,159)	(\$22,824)	(\$23,509)	(\$24,214)	(\$24,941)	(\$25,689)	(\$26,460)	3.00%
EFFECTIVE GROSS INCOME (EGI)	\$921,978	\$949,638	\$978,127	\$1,007,471	\$1,037,695	\$1,068,826	\$1,100,890	\$1,133,917	\$1,167,934	\$1,202,972	\$1,239,060	3.00%
Real Estate Taxes	(\$127,436)	(\$129,985)	(\$132,585)	(\$135,237)	(\$137,942)	(\$140,701)	(\$143,515)	(\$146,385)	(\$149,313)	(\$152,299)	(\$155,345)	2.00%
Additional Tax Charges	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$3.00)	(\$0.00)
Property Insurance	(\$9,600)	(\$9,888)	(\$10,185)	(\$10,491)	(\$10,806)	(\$11,130)	(\$11,464)	(\$11,808)	(\$12,162)	(\$12,527)	(\$12,903)	3.00%
Utilities	(\$9,600)	(\$9,888)	(\$10,185)	(\$10,491)	(\$10,806)	(\$11,130)	(\$11,464)	(\$11,808)	(\$12,162)	(\$12,527)	(\$12,903)	3.00%
Building Repairs & Maintenance	(\$40,900)	(\$42,127)	(\$43,391)	(\$44,693)	(\$46,034)	(\$47,415)	(\$48,837)	(\$50,302)	(\$51,811)	(\$53,365)	(\$54,966)	3.00%
Off-Site Management	(\$46,100)	(\$47,483)	(\$48,908)	(\$50,375)	(\$51,886)	(\$53,443)	(\$55,046)	(\$56,697)	(\$58,398)	(\$60,150)	(\$61,954)	3.00%
On-Site Management	(\$60,200)	(\$62,006)	(\$63,866)	(\$65,782)	(\$67,755)	(\$69,788)	(\$71,882)	(\$74,038)	(\$76,259)	(\$78,547)	(\$80,903)	3.00%
Advertising	(\$7,200)	(\$7,416)	(\$7,638)	(\$7,867)	(\$8,103)	(\$8,346)	(\$8,596)	(\$8,854)	(\$9,120)	(\$9,394)	(\$9,676)	3.00%
General & Administrative	(\$31,300)	(\$32,239)	(\$33,206)	(\$34,202)	(\$35,228)	(\$36,285)	(\$37,374)	(\$38,495)	(\$39,650)	(\$40,840)	(\$42,065)	3.00%
Reserves	(\$4,800)	(\$4,944)	(\$5,092)	(\$5,245)	(\$5,402)	(\$5,564)	(\$5,731)	(\$5,903)	(\$6,080)	(\$6,262)	(\$6,450)	3.00%
TOTAL OPERATING EXPENSES	(\$337,139)	(\$345,979)	(\$355,059)	(\$364,386)	(\$373,965)	(\$383,805)	(\$393,912)	(\$404,293)	(\$414,958)	(\$425,914)	(\$437,168)	2.63%
NET OPERATING INCOME (NOI)	\$584,839	\$603,659	\$623,068	\$643,085	\$663,730	\$685,021	\$706,978	\$729,624	\$752,976	\$777,058	\$801,892	3.21%
CASH FLOW BEFORE DEBT SERVICE	\$584,839	\$603,659	\$623,068	\$643,085	\$663,730	\$685,021	\$706,978	\$729,624	\$752,976	\$777,058	\$801,892	3.21%
Implied Overall Rate	4.99%	5.15%	5.32%	5.49%	5.67%	5.85%	6.04%	6.23%	6.43%	6.63%	6.85%	
Cash on Cash Return	4.99%	5.15%	5.32%	5.49%	5.67%	5.85%	6.04%	6.23%	6.43%	6.63%	6.85%	

NOI & CASHFLOW



PROSPECTIVE VALUE UPON STABILIZATION

As of September 2021 - Includes Years Start Period: 1 through 11

Terminal Cap Rates	Discount Rate (IRR) for Cash Flow				
	6.75%	7.00%	7.25%	7.50%	7.75%
5.00%	\$12,908,432	\$12,662,015	\$12,421,429	\$12,186,518	\$11,957,131
5.25%	\$12,518,962	\$12,281,550	\$12,049,740	\$11,823,383	\$11,602,334
5.50%	\$12,164,898	\$11,935,672	\$11,711,841	\$11,493,260	\$11,279,791
5.75%	\$11,841,623	\$11,619,871	\$11,403,324	\$11,191,844	\$10,985,296
6.00%	\$11,545,287	\$11,330,387	\$11,120,517	\$10,915,545	\$10,715,341
IRR					
Reversion	6.75%	7.00%	7.25%	7.50%	7.75%
Cost of Sale at Reversion	2.00%				
Percent Residual	60.59%				
ROUND TO NEAREST \$10,000			\$11,710,000		\$29,571/Unit

DCF VALUE CONCLUSION

Prospective Value Upon Stabilization

Below is the calculated Prospective Value Upon Stabilization for the subject property as of September 9, 2021, incorporating sensitivity plus details of the allocation of value between the cash flows and reversion.

PRESENT VALUE OF CASH FLOW								
PROSPECTIVE VALUE UPON STABILIZATION								
YEAR	PERIOD	CASH FLOW	DISCOUNT FACTOR @ 7.00%	PRESENT VALUE	DISCOUNT FACTOR @ 7.25%	PRESENT VALUE	DISCOUNT FACTOR @ 7.50%	PRESENT VALUE
1	Sep-21-Aug-22	\$584,839	0.9346	\$546,578	0.9324	\$545,304	0.9302	\$544,036
2	Sep-22-Aug-23	\$603,659	0.8734	\$527,259	0.8694	\$524,804	0.8653	\$522,366
3	Sep-23-Aug-24	\$623,068	0.8163	\$508,609	0.8106	\$505,061	0.8050	\$501,545
4	Sep-24-Aug-25	\$643,085	0.7629	\$490,606	0.7558	\$486,048	0.7488	\$481,542
5	Sep-25-Aug-26	\$663,730	0.7130	\$473,230	0.7047	\$467,740	0.6966	\$462,327
6	Sep-26-Aug-27	\$685,021	0.6663	\$456,458	0.6571	\$450,111	0.6480	\$443,867
7	Sep-27-Aug-28	\$706,978	0.6227	\$440,270	0.6127	\$433,137	0.6028	\$426,135
8	Sep-28-Aug-29	\$729,624	0.5820	\$424,648	0.5712	\$416,793	0.5607	\$409,102
9	Sep-29-Aug-30	\$752,976	0.5439	\$409,569	0.5326	\$401,056	0.5216	\$392,740
10	Sep-30-Aug-31	\$777,058	0.5083	\$395,017	0.4966	\$385,905	0.4852	\$377,024
PV OF CASH FLOW		\$6,770,035		\$4,672,244		\$4,615,958		\$4,560,682
REVERSIONARY YEAR 11 NOI		\$801,892						
PROPERTY RESALE @ 5.50%		\$14,579,860						
COST OF SALE @ 2.00%		\$291,597						
PV OF REVERSION		\$14,288,263	0.5083	\$7,263,428	0.4966	\$7,095,883	0.4852	\$6,932,578
TOTAL PRESENT VALUE (CASH FLOW + REVERSION)				\$11,935,672		\$11,711,841		\$11,493,260
PROSPECTIVE VALUE UPON STABILIZATION						\$11,710,000		
TOTAL LEASE-UP COSTS						(\$1,460,000)		
PROSPECTIVE VALUE UPON COMPLETION						\$10,250,000		

RECONCILIATION OF INCOME APPROACH VALUES

The following table summarizes the opinions for market value that were developed by the Direct Capitalization and Discounted Cash Flow methods of the income approach. Of the two approaches, Direct Capitalization analysis is typically considered more reliable for stabilized properties as it mirrors the sentiment of participants in this asset class. However, given the protracted construction and lease up period involved for the proposed facility, we have also given weight to the Discounted Cash Flow method.

VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON COMPLETION	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	SEPTEMBER 9, 2021	JANUARY 15, 2022	JANUARY 15, 2024
INCOME CAPITALIZATION APPROACH			
Discounted Cash Flow (DCF)	-	\$10,250,000	\$11,710,000
DCF \$/Unit	-	\$25,884/Unit	\$29,571/Unit
DCF \$/SF (NRA)	-	\$212.88/SF	\$243.20/SF
Holding Period	-	-	10 Years
Terminal Capitalization Rate	-	-	5.50%
Internal Rate of Return (Cash Flow)	-	-	7.25%
Internal Rate of Return (Reversion)	-	-	7.25%
Direct Capitalization	-	\$10,240,000	\$11,700,000
Direct Capitalization \$/Unit	-	\$25,859/Unit	\$29,545/Unit
Direct Capitalization \$/SF (NRA)	-	\$212.67/SF	\$242.99/SF
Net Operating Income	-	-	\$584,839
NOI \$/Unit	-	-	\$1,477/Unit
NOI \$/SF (NRA)	-	-	\$12.15/SF
Capitalization Rate	-	-	5.00%
INCOME CONCLUSION	-	\$10,240,000	\$11,700,000
Income Conclusion \$/Unit	-	\$25,859/Unit	\$29,545/Unit
Income Conclusion \$/SF (NRA)	-	\$212.67/SF	\$242.99/SF

INTRODUCTION

The Sales Comparison Approach is based on the principle of substitution, which asserts that a buyer would not pay more for a property than the value of similar properties in the market. This approach analyzes comparable sales by applying transactional and property adjustments to bracket the subject property within an appropriate unit value comparison.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for improved properties with similar design and utility.

COMPARABLE SELECTION

We completed a thorough search for similar improved sales in terms of property type, location, physical characteristics, and date of sale. In selecting comparables, emphasis was placed on confirming recent improved sales of properties that match the highest and best use, and buyer/seller profile of the subject property. **It should be noted that there are minimal sales throughout the region similar to the subject. Therefore, we expanded our search to include sales throughout Northern California.** Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transitional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest sales were adjusted accordingly.
Financing Terms	The subject property was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales.
Expenditures After Purchase	Adjustments were applied if physical conditions warranted expenditures on the part of the buyer to bring the comparable up to functional standards. Most often this adjustment accounts for costs associated with deferred maintenance.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

Per Year As Of	September 2021	(As-Is)	2%
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The analysis applies an upward market conditions adjustment of 2% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

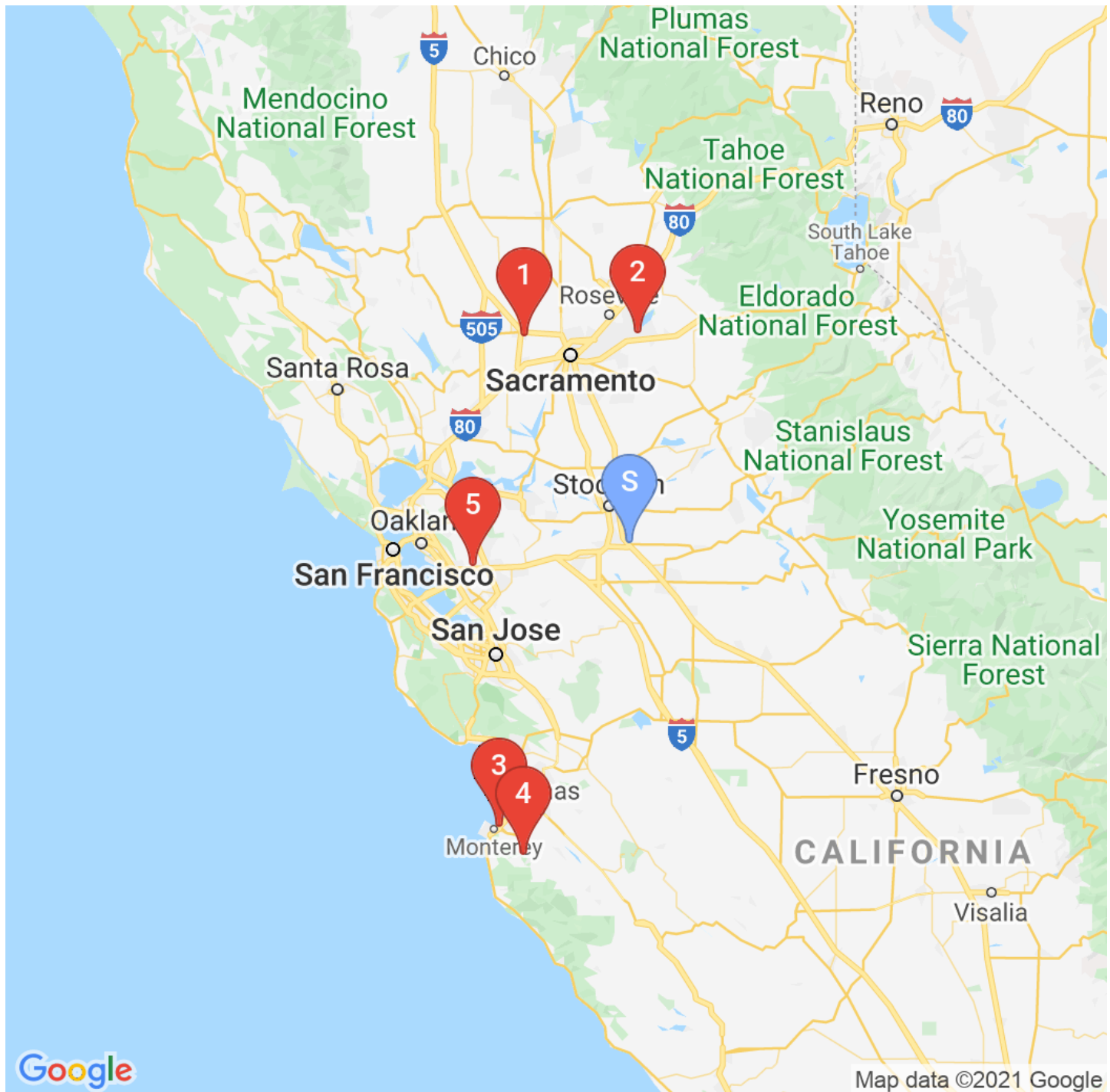
Quantitative percentage adjustments are also made for location and physical characteristics such as size, age, site, access, exposure, quality and condition, as well as other applicable elements of comparison. Where possible the adjustments applied are based on paired data or other statistical analysis. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject property.

PRESENTATION

The following Sales Summation Table, Location Map and datasheets summarize the improved sales data. Following these items, the comparable sales are adjusted for applicable elements of comparison and the opinion of value by the Sales Comparison Approach is concluded.

IMPROVED SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Austin Self Storage	Life Storage Woodland	Empire Ranch Self Storage	Monterey Self Storage	Miller Self-Storage	Lockaway Storage
Address	183 South Austin Road	19389 County Road 102	300 South Lexington Drive	302 Ramona Avenue	15 Del Fino Pl	8555 Dublin Canyon Road
City	Manteca	Woodland	Folsom	Monterey	Carmel Valley	Castro Valley
State	CA	CA	CA	CA	CA	CA
Zip	95336	95776	95630	93940	93924	94552
County	San Joaquin	Yolo	Sacramento	Monterey	Monterey	Alameda
PHYSICAL INFORMATION						
NRA (SF)	48,150	90,098	59,875	25,222	16,219	31,877
Units	396	843	505	405	135	200
Land Area (AC)	2.8	8.8	2.9	0.5	1.0	-
Land Area (SF)	120,225	384,635	124,146	21,780	44,431	-
Year Built	2022	2019	2006	1997	1981	2007
Location	Average/Good	Average	Average/Good	Good	Good	Good
Quality	Good	Good	Average/Good	Average/Good	Average	Average/Good
Condition	Good	Good	Average/Good	Average/Good	Average/Good	Average/Good
Access	Average/Good	Average	Average/Good	Good	Average	Good
Exposure	Average	Average	Average/Good	Good	Average	Average/Good
SALE INFORMATION						
Date		1/21/2021	4/20/2020	2/13/2020	2/13/2020	1/9/2019
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$18,100,000	\$13,250,000	\$8,000,000	\$3,894,500	\$9,100,000
Transaction \$/Unit		\$21,471	\$26,238	\$19,753	\$28,848	\$45,500
Transaction \$/SF NRA		\$200.89	\$221.29	\$317.18	\$240.12	\$285.47
Analysis Price		\$18,100,000	\$13,250,000	\$8,000,000	\$3,894,500	\$9,100,000
NOI/Unit	\$1,477	\$1,208	\$1,168	\$1,072	\$1,629	\$2,046
NOI/SF NRA	\$12	\$11.31	\$9.85	\$17.21	\$13.56	\$12.84
Occupancy	100.0%	42.0%	98.0%	97.0%	90.0%	94.7%
Capitalization Rate		5.63%	4.50%	5.43%	5.65%	4.50%

SALES LOCATION MAP



COMPARABLE KEY

COMP	DISTANCE	NAME	ADDRESS	OCC.	SALE DATE	OAR	\$/SF
SUBJECT	-	Austin Self Storage	183 South Austin Road, Manteca, CA	100.0%	-	-	-
No. 1	66.5 Miles	Life Storage Woodland	19389 County Road 102, Woodland, CA	42.0%	1/21/2021	5.63%	\$201
No. 2	60.2 Miles	Empire Ranch Self Storage	300 South Lexington Drive, Folsom, CA	98.0%	4/20/2020	4.50%	\$221
No. 3	90.7 Miles	Monterey Self Storage	302 Ramona Avenue, Monterey, CA	97.0%	2/13/2020	5.43%	\$317
No. 4	95.8 Miles	Miller Self-Storage	15 Del Fino Pl, Carmel Valley, CA	90.0%	2/13/2020	5.65%	\$240
No. 5	45.0 Miles	Lockaway Storage	8555 Dublin Canyon Road, Castro Valley,	94.7%	1/9/2019	4.50%	\$285

COMPARABLE SALES PHOTOGRAPHS

**COMP 1: LIFE STORAGE WOODLAND****COMP 2: EMPIRE RANCH SELF STORAGE****COMP 3: MONTEREY SELF STORAGE****COMP 4: MILLERS SELF STORAGE****COMP 5: LOCKAWAY SELF STORAGE**

IMPROVED SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Address	183 South Austin	19389 County	300 South	302 Ramona	15 Del Fino Pl	8555 Dublin
City, State	Manteca, CA	Woodland, CA	Folsom, CA	Monterey, CA	Carmel Valley,	Castro Valley,
NRA	48,150	90,098	59,875	25,222	16,219	31,877
Units	396	843	505	405	135	200
Land Area (AC)	2.8	8.8	2.9	0.5	1.0	8.5
Land Area (SF)	120,225	384,635	124,146	21,780	44,431	368,082
Year Built	2022	2019	2006	1997	1981	2007
Location	Average/Good	Average	Average/Good	Good	Good	Good
Quality	Good	Good	Average/Good	Average/Good	Average	Average/Good
Condition	Good	Good	Average/Good	Average/Good	Average/Good	Average/Good
Access	Average/Good	Average	Average/Good	Good	Average	Good
Exposure	Average	Average	Average/Good	Good	Average	Average/Good
SALE INFORMATION						
Date		1/21/2021	4/20/2020	2/13/2020	2/13/2020	1/9/2019
Status		Recorded	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Occupancy	100.0%	42.0%	98.0%	97.0%	90.0%	94.7%
Capitalization Rate		5.6%	4.5%	5.4%	5.7%	4.5%
NOI/Unit		\$1,208	\$1,168	\$1,072	\$1,629	\$2,046
NOI/SF NRA		\$11.31	\$9.85	\$17.21	\$13.56	\$12.84
\$/Unit		\$21,471	\$26,238	\$19,753	\$28,848	\$45,500
\$/SF NRA		\$201	\$221	\$317	\$240	\$285
Transaction Price		\$18,100,000	\$13,250,000	\$8,000,000	\$3,894,500	\$9,100,000
TRANSACTIONAL ADJUSTMENTS						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%
Market Conditions¹		1%	3%	3%	3%	5%
Subtotal Transactional Adj Price		\$203	\$228	\$327	\$247	\$300
PROPERTY ADJUSTMENTS						
Location		10%	0%	-10%	-10%	-10%
Quality		0%	5%	5%	10%	5%
Condition		0%	5%	5%	5%	5%
Access		5%	0%	-5%	5%	-5%
Exposure		0%	-5%	-10%	0%	-5%
NRA		0%	0%	0%	0%	0%
Subtotal Property Adjustment		15%	5%	-15%	10%	-10%
TOTAL ADJUSTED PRICE		\$233	\$239	\$278	\$272	\$270
STATISTICS	UNADJUSTED	ADJUSTED				
LOW	\$201	\$233				
HIGH	\$317	\$278				
MEDIAN	\$240	\$270				
AVERAGE	\$253	\$258				

¹ Market Conditions Adjustment: 2%

Date of Value (for adjustment calculations): 9/9/21

SALES COMPARABLE ANALYSIS

Introduction

The comparable sales indicate an adjusted value range from \$233 to \$278/SF, with a median of \$270/SF and an average of \$258/SF. The range of total gross adjustment applied to the comparables was from 16% to 40%, with an average gross adjustment across all comparables of 29%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable sale is discussed in the following paragraphs.

Discussion of Adjustments

Comparable 1 (\$233/SF as adjusted) required a total upward transaction adjustment of 1%. This sale is known as Life Storage Woodland and includes 843 units that are located on 8.83 acres. This comparable was constructed in 1987 and contains 90,098 square feet of net rentable area. It has an inferior location in Woodland, approximately 16.5 miles from the subject. Adjustments to this sale are applied for differences in location and access. Overall, this sale required 16% gross adjustments and is given primary weight for this analysis.

Comparable 2 (\$239/SF as adjusted) required a total upward transaction adjustment of 3%. Empire Ranch Self Storage includes 505 units situated on 2.85 acres. This facility was built in 1999 and consists of 76,920 square feet of net rentable area. It has a similar location in Folsom, approximately 69.9 miles from the subject. This sale required adjustments for differences in quality, condition, and exposure. Overall, this sale required 18% gross adjustments and is given primary weight for this analysis.

Comparable 3 (\$278/SF as adjusted) required a total upward transaction adjustment of 3%. Monterey Self Storage includes 405 storage units that are located on 0.5 acres. This project was constructed in 2000 and contains 108,000 square feet of net rentable area. It has a superior location in Monterey, approximately 51.9 miles from the subject. Adjustments to this sale were required to account for differences in location, quality, condition, access, and exposure. Overall, this sale required 38% gross adjustments and is given secondary weight for this analysis.

Comparable 4 (\$272/SF as adjusted) required a total upward transaction adjustment of 3%. Miller Self-Storage includes 135 storage units on 1.02 acres. This sale was built in 1997 and features 25,222 square feet of net rentable area. It has a superior location in Carmel Valley, approximately 67.8 miles from the subject. We have applied adjustments to this sale for differences in location, quality, condition, and access. Overall, this sale required 33% gross adjustments and is given secondary weight for this analysis.

Comparable 5 (\$270/SF as adjusted) required a total upward transaction adjustment of 5%. Lockaway Storage includes 200 storage units on acres. This facility was constructed in 2006 and contains 59,875 square feet of net rentable area. It has a superior location in Castro Valley, approximately 100.6 miles from the subject. Adjustments to this comparable were required to account for differences in location, quality, condition, access, exposure, and age. Overall, this sale required 40% gross adjustments and is given secondary weight for this analysis.

SALES COMPARISON APPROACH CONCLUSION

The comparable sales indicate an adjusted value range from \$233 to \$278/SF, with a median of \$270/SF and an average of \$258/SF. Based on the results of the preceding analysis, Comparable 1 (\$233/SF adjusted) and Comparable 2 (\$239/SF adjusted) are given primary consideration for the subject's opinion of value.

The following table summarizes the analysis of the comparables, reports the reconciled price per net rentable area (NRA) value conclusion, and presents the concluded value of the subject property.

SALES COMPARISON APPROACH CONCLUSION (SF)

TRANSACTION			ADJUSTMENT			NET	GROSS	WEIGHT
COMP	PRICE	TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL	ADJ %	ADJ %	GIVEN
1	\$201	1%	\$202.90	15%	\$233	16%	16%	PRIMARY
2	\$221	3%	\$227.93	5%	\$239	8%	18%	PRIMARY
3	\$317	3%	\$326.70	-15%	\$278	-12%	38%	SECONDARY
4	\$240	3%	\$247.32	10%	\$272	13%	33%	SECONDARY
5	\$285	5%	\$299.75	-10%	\$270	-5%	40%	SECONDARY
LOW	\$233						AVERAGE	\$258
HIGH	\$278						MEDIAN	\$270
SUBJECT SF					\$/SF	VALUE		
PROSPECTIVE VALUE UPON STABILIZATION			48,150	x	\$240	=	\$11,560,000	
Lease- Up Costs						From Lease-Up Analysis		
Rent Loss						(\$806,698)		
Marketing						(\$72,864)		
Total Lease-Up Costs						(\$879,562)		
Entrepreneurial Profit						(\$585,000)		
TOTAL LEASE-UP COSTS						(\$1,464,562)		
TOTAL LEASE-UP COSTS (ROUNDED)						(\$1,460,000)		
PROSPECTIVE VALUE UPON COMPLETION					\$210	\$10,100,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

As previously discussed within the Valuation Methods section, the subject is valued as one marketable economic site in this appraisal. Land value is influenced by a number of factors; most prominent of which is development and use potential. These factors, as well as others, are considered in the following analysis.

UNIT OF COMPARISON

The most relevant unit of comparison is the price per square foot. This indicator best reflects the analysis used by buyers and sellers in this market for land with similar utility and zoning in this marketplace.

COMPARABLE SELECTION

A thorough search was made for similar land sales in terms of proximity to the subject, size, location, development potential, and date of sale. In selecting comparables, emphasis was placed on confirming recent sales of commercial sites that are similar to the subject property in terms of location and physical characteristics. Overall, the sales selected represent the best comparables available for this analysis.

ADJUSTMENT PROCESS

Quantitative adjustments are made to the comparable sales. The following adjustments or general market trends were considered for the basis of valuation.

Transactional Adjustments

Dollar adjustments to the comparable sales were considered and made when warranted for transitional adjustments in the sequence shown below:

Property Rights Transferred	The valuation of the subject site was completed on a fee simple basis. If warranted, leased fee, leasehold and/or partial interest land sales were adjusted accordingly.
Financing Terms	The subject site was valued on a cash equivalent basis. Adjustments were made to the comparables involving financing terms atypical of the marketplace.
Conditions of Sale	This adjustment accounts for extraordinary motivation on the part of the buyer or seller often associated with distressed sales and/or assemblages.
Expenditures After Purchase	Adjustments were applied if site conditions warranted expenditures on the part of the buyer to create a buildable site. Examples include costs for razing pre-existing structures, general site clearing and/or mitigation of environmental issues.
Market Conditions	Market conditions adjustments were based on a review of historical sale data, market participant interviews and review of current versus historical pricing. Based on our research, the following table summarizes the market conditions adjustment applied in this analysis.

MARKET CONDITIONS ADJUSTMENT

Per Year As Of	September 2021	(As-Is)	3%
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The analysis applies an upward market conditions adjustment of 3% annually reflecting the conditions between the oldest comparable sale date up through the effective valuation date.

Property Adjustments

Quantitative percentage adjustments are also made for location and physical characteristics such as size, shape, access, exposure, topography, zoning and overall utility. Where possible the adjustments applied are based on

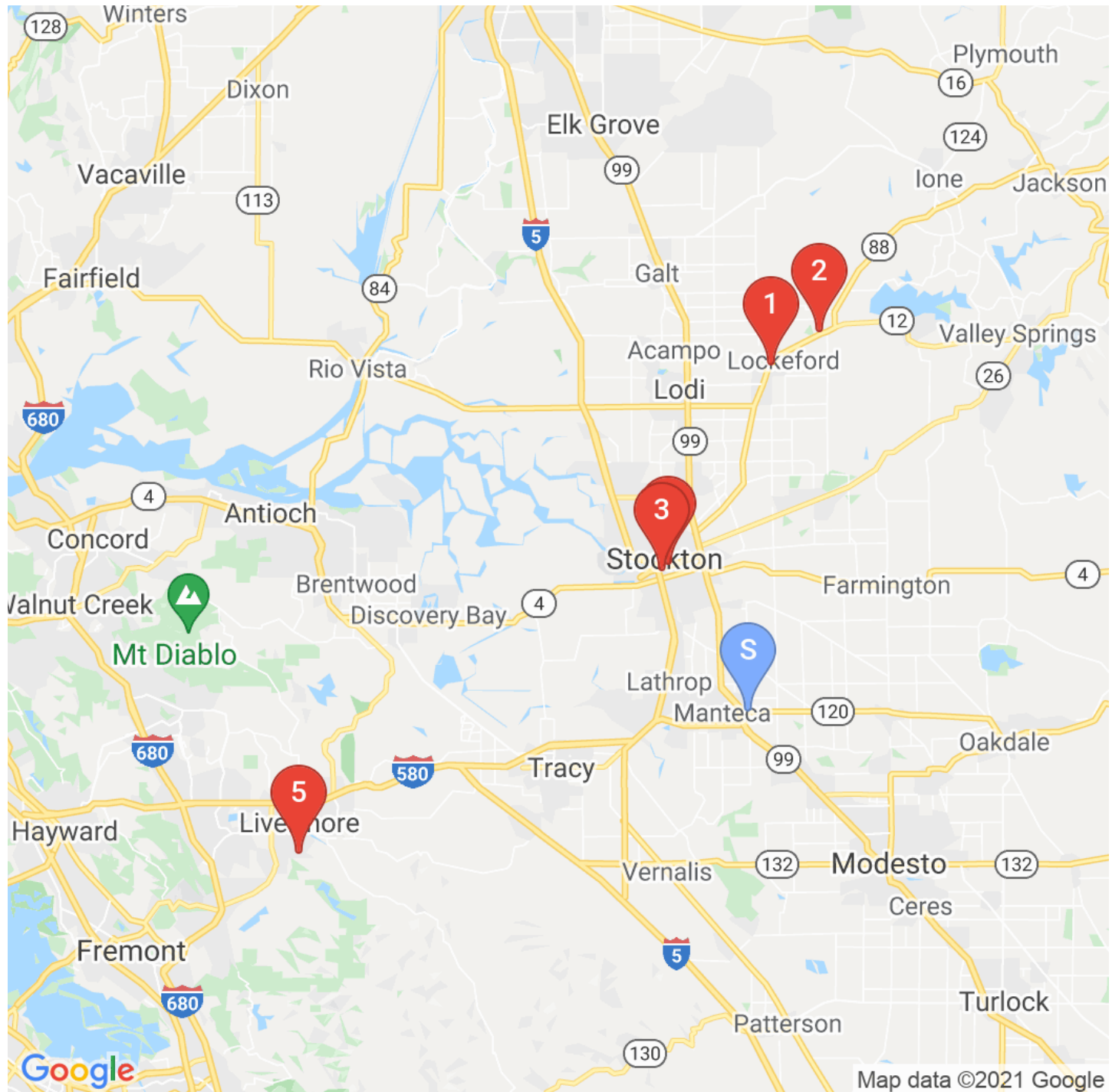
paired data or other statistical analysis. For example, location adjustments are based primarily on review of land values in the market areas for the comparables relative to the subject. It should be stressed that the adjustments are subjective in nature and are meant to illustrate our logic in deriving a value opinion for the subject site.

PRESENTATION

The following Land Sales Summation Table, Location Map and datasheets summarize the sales data used in this analysis. Following these items, the comparable land sales are adjusted for applicable elements of comparison and the opinion of site value is concluded.

LAND SALES SUMMATION TABLE						
COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Austin Self Storage	Commercial Land	Commercial Lot	Industrial Land	Commerical Land	Commercial Land
Address	183 South Austin Road	19003 N Jack Tone Road	22588 N 3rd Street	819 S Monroe Street	328 S Sutter Street	Arroyo Road @ Hansen Road
City	Manteca	Lockeford	Clements	Stockton	Stockton	Livermore
State	CA	CA	CA	CA	CA	CA
Zip	95336	95237	95227	95206	95203	94550
County	San Joaquin	San Joaquin	San Joaquin	San Joaquin	San Joaquin	Alameda
PHYSICAL INFORMATION						
SF	120,225	73,616	5,663	19,893	12,632	87,120
Location	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good
Exposure	Average	Average	Average	Average/Good	Average/Good	Average/Good
Access	Average/Good	Average	Average	Average/Good	Average/Good	Average/Good
Shape	Irregular	Irregular	Rectangular	Rectangular	Irregular	Rectangular
Site Utility Rating	Average/Good	Average	Average	Average	Average	Average
Zoning	GC	CC	CRS	IG	C2	PD-SLVSP
Flood Zone	Zone X	X	X	X500L	X500	X (Unshaded)
Corner	No	No	No	No	No	No
Topography	Level	Generally Level	Generally Level	Level	Generally Level	Generally Level
Street Frontage	Average	Average	Average	Average	Average	Average
SALE INFORMATION						
Date		8/3/2021	6/22/2021	2/9/2021	1/27/2021	9/1/2020
Status		Listing	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Transaction Price		\$450,000	\$47,500	\$175,000	\$135,000	\$799,000
Analysis Price		\$450,000	\$47,500	\$175,000	\$135,000	\$799,000
\$/SF Land		\$6.11	\$8.39	\$8.80	\$10.69	\$9.17

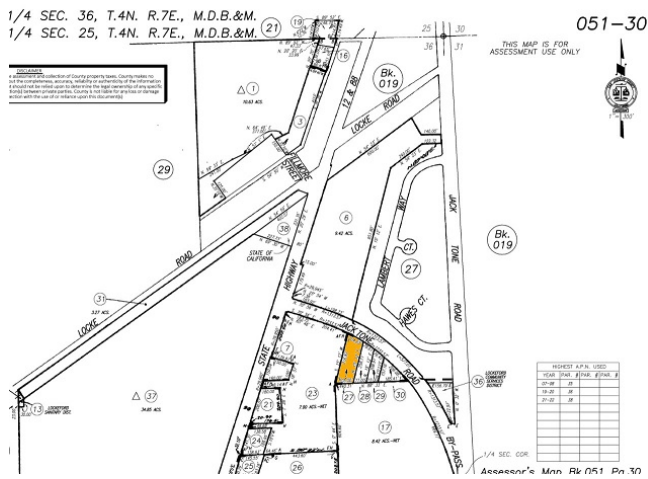
LAND SALES LOCATION MAP



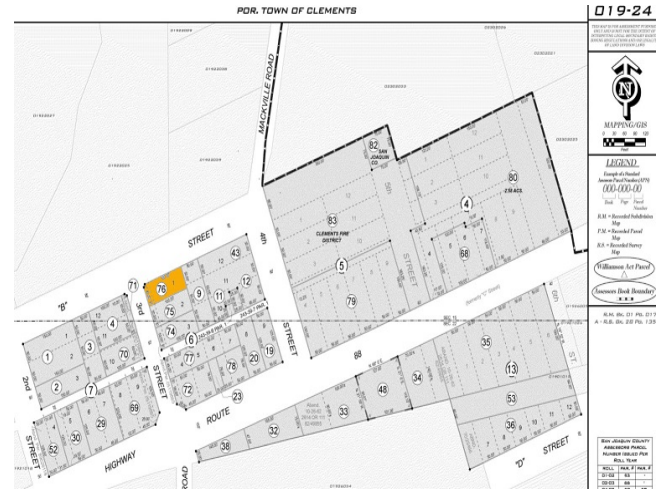
COMPARABLE KEY

COMP	DISTANCE	ADDRESS	SALE DATE	ACRES	SF	\$/SF
SUBJECT	-	183 South Austin Road, Manteca, CA	-	2.75998623	120,225	-
No. 1	25.0 Miles	19003 N Jack Tone Road, Lockeford, CA	8/3/2021	1.69	73,616	\$6.11
No. 2	27.8 Miles	22588 N 3rd Street, Clements, CA	6/22/2021	0.13	5,663	\$8.39
No. 3	11.9 Miles	819 S Monroe Street, Stockton, CA	2/9/2021	0.46	19,893	\$8.80
No. 4	12.0 Miles	328 S Sutter Street, Stockton, CA	1/27/2021	0.29	12,632	\$10.69
No. 5	33.7 Miles	Arroyo Road @ Hansen Road, Livermore, CA	9/1/2020	2	87,120	\$9.17

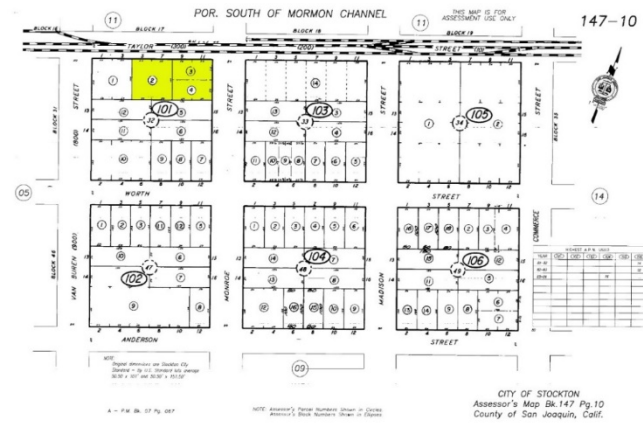
LAND SALE PICTURES



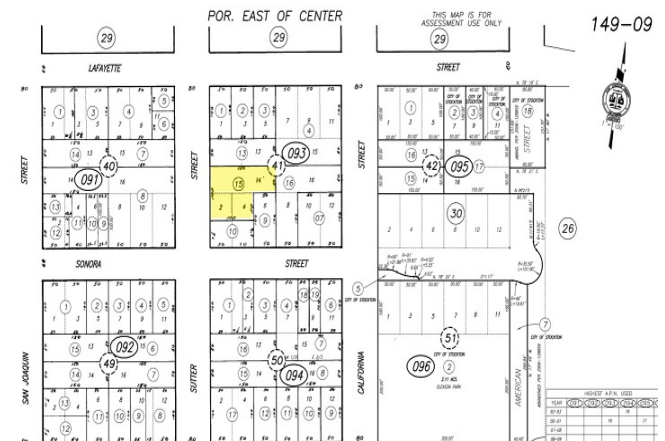
COMP 1: COMMERCIAL LAND



COMP 2: COMMERCIAL LOT



COMP 3: INDUSTRIAL LAND



COMP 4: COMMERCIAL LAND



COMP 5: COMMERCIAL LAND

LAND SALES ADJUSTMENT TABLE

COMPARABLE	SUBJECT	COMPARABLE 1	COMPARABLE 2	COMPARABLE 3	COMPARABLE 4	COMPARABLE 5
Name	Austin Self	Commercial Land	Commercial Lot	Industrial Land	Commerical Land	Commercial Land
Address	183 South Austin	19003 N Jack	22588 N 3rd	819 S Monroe	328 S Sutter	Arroyo Road @
City	Manteca	Lockeford	Clements	Stockton	Stockton	Livermore
SF	120,225	73,616	5,663	19,893	12,632	87,120
Location	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good	Average/Good
Exposure	Average	Average	Average	Average/Good	Average/Good	Average/Good
Access	Average/Good	Average	Average	Average/Good	Average/Good	Average/Good
Shape	Irregular	Irregular	Rectangular	Rectangular	Irregular	Rectangular
Site Utility Rating	Average/Good	Average	Average	Average	Average	Average
SALE INFORMATION						
Date		8/3/2021	6/22/2021	2/9/2021	1/27/2021	9/1/2020
Status		Listing	Recorded	Recorded	Recorded	Recorded
Rights Transferred		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Analysis Price		\$450,000	\$47,500	\$175,000	\$135,000	\$799,000
Price/SF		\$6.11	\$8.39	\$8.80	\$10.69	\$9.17
TRANSACTIONAL ADJUSTMENTS						
Property Rights		0%	0%	0%	0%	0%
Financing		0%	0%	0%	0%	0%
Conditions of Sale		0%	0%	0%	0%	0%
Expenditures After the Sale		0%	0%	0%	0%	0%
Market Conditions¹		0%	1%	2%	2%	3%
Subtotal Transactional Adj Price		\$6.11	\$8.47	\$8.98	\$10.90	\$9.45
PROPERTY ADJUSTMENTS						
Location		0%	0%	0%	0%	0%
Size		0%	-10%	-5%	-5%	0%
Exposure		0%	0%	-5%	-5%	-5%
Access		5%	5%	0%	0%	0%
Shape		0%	0%	0%	0%	0%
Subtotal Property Adjustment		5%	-5%	-10%	-10%	-5%
TOTAL ADJUSTED PRICE		\$6.42	\$8.05	\$8.08	\$9.81	\$8.98
STATISTICS	UNADJUSTED	ADJUSTED				
LOW	\$6.11	\$6.42				
HIGH	\$10.69	\$9.81				
MEDIAN	\$8.80	\$8.08				
AVERAGE	\$8.63	\$8.27				

¹ Market Conditions Adjustment: 3%

Date of Value (for adjustment calculations): 9/9/21

LAND SALES ANALYSIS

Introduction

The comparable land sales indicate an adjusted value range from \$6.42 to \$9.81/SF, with a median of \$8.08/SF and an average of \$8.27/SF. The range of total gross adjustment applied to the comparables was from 5% to 16%, with an average gross adjustment across all comparables of 11%. The level of total adjustment applied to the comparables is considered minimal, an indication that the dataset is applicable to the subject and increases the credibility of the analysis. The adjustment process for each comparable land sale is discussed in the following paragraphs.

LAND VALUE CONCLUSION

The comparable land sales indicate an adjusted value range from \$6.42 to \$9.81/SF, with a median of \$8.08/SF and an average of \$8.27/SF. Based on the results of the preceding analysis, Comparable 1 (\$6.42/SF adjusted), Comparable 3 (\$8.08/SF adjusted), Comparable 4 (\$9.81/SF adjusted) and Comparable 5 (\$8.98/SF adjusted) are given primary consideration for the subject's opinion of land value.

The following table summarizes the analysis of the comparables, reports the reconciled price per square foot value conclusion, and presents the concluded value of the subject site.

CALCULATION OF LAND VALUE								
COMP	ANALYSIS PRICE	ADJUSTMENT				NET ADJ %	GROSS ADJ %	OVERALL COMPARISON
		TRANSACTIONAL ¹	ADJUSTED	PROPERTY ²	FINAL			
1	\$6.11	0%	\$6.11	5%	\$6.42	5%	5%	PRIMARY
2	\$8.39	1%	\$8.47	-5%	\$8.05	-4%	16%	SECONDARY
3	\$8.80	2%	\$8.98	-10%	\$8.08	-8%	12%	PRIMARY
4	\$10.69	2%	\$10.90	-10%	\$9.81	-8%	12%	PRIMARY
5	\$9.17	3%	\$9.45	-5%	\$8.98	-2%	8%	PRIMARY
LOW	\$6.42					AVERAGE		\$8.27
HIGH	\$9.81					MEDIAN		\$8.08
COMPONENT		SUBJECT SF		\$ / SF CONCLUSION		VALUE		
TOTAL PROPERTY		120,225	x	\$8.00	=	\$960,000		

¹Cumulative ²Additive

Rounded to nearest \$10,000

INTRODUCTION

The Cost Approach is a set of procedures through which a value indication is derived for the fee simple estate by estimating the current cost to construct a reproduction of (or replacement for) the existing structures,, including an entrepreneurial incentive or profit; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property interest being appraised.⁵

REPLACEMENT COST ANALYSIS

The following cost approach to value was developed based on replacement cost analysis. Replacement Cost is defined as: The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout.⁶

Replacement cost includes both direct and indirect costs. Direct costs are expenditures for labor and materials used in the construction of improvements (also known as hard costs). Indirect costs are expenditures for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract (also known as soft costs). Indirect costs often include real property taxes during construction, professional fees, permanent financing fees, leasing commissions, marketing costs and contingency.

Replacement Cost New (Buildings)

This section calculates the replacement cost new of the subject building improvements by estimating total direct and indirect costs to which an entrepreneurial profit incentive is applied. Three sources were selected to support direct and indirect costs: Marshall Valuation Service, the developer's cost schedule and cost comparables. This selection is appropriate considering the scope and intended use of the appraisal, and given that the subject improvements are dated construction.

Marshall Valuation Service

Marshall Valuation Service is a comprehensive appraisal guide widely used throughout the United States for developing replacement costs and depreciated values of buildings and other improvements, and is largely considered the authority on building costs.

The table on the following page outlines the process we applied for developing replacement cost new of the subject building improvements with Marshall Valuation Service. First, the subject components were researched to identify the applicable base building costs per square foot. Next, the base building costs were adjusted for square foot refinements, height and size refinements, and current and local cost multipliers to determine an estimate of direct costs. After determining direct costs using Marshall Valuation Service, we then analyzed market evidence to estimate indirect costs. Finally, an appropriate developer's profit was applied to provide an indication of the replacement cost new.

⁵ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

⁶ The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015

REPLACEMENT COST NEW (BUILDINGS)

MARSHALL VALUATION SERVICE DIRECT COST

Number of Buildings	15															
Gross Building Area	50,520 SF	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
MVS Building Type	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage
MVS Section/Page/Class	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S
MVS Publication Date	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20
Quality Rating	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good	Good
Component SF (Gross)	3,150	4,650	3,000	4,400	4,800	4,000	4,000	4,800	4,800	4,400	3,200	2,220	2,100	500	500	
Base Cost (Per SF)	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00
SQUARE FOOT REFINEMENTS																
Fire Sprinklers	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Subtotal	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00
HEIGHT & SIZE REFINEMENTS																
Number of Stories Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Height Per Story Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Area/Perimeter Multiplier	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Subtotal	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00
COST MULTIPLIERS																
Current Cost Multiplier	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Local Multiplier	1.28	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25	1.25
DIRECT COSTS PER SF	\$84.33	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35	\$82.35
Indirect Cost (% of Direct) ¹	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
INDIRECT COST PER SF	\$12.65	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35	\$12.35
DIRECT & INDIRECT TOTAL PER SF	\$96.98	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70	\$94.70
CALCULATION OF REPLACEMENT COST NEW WITH INCENTIVE																
Component SF (Gross)	3,150	4,650	3,000	4,400	4,800	4,000	4,000	4,800	4,800	4,400	3,200	2,220	2,100	500	500	
Direct & Indirect Total	\$305,472	\$440,367	\$284,108	\$416,691	\$454,572	\$378,810	\$378,810	\$454,572	\$454,572	\$416,691	\$303,048	\$210,240	\$198,875	\$47,351	\$47,351	
ENTREPRENEURIAL INCENTIVE % ¹	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
FINAL TOTAL REPLACEMENT COST NEW	\$381,840	\$550,458	\$355,134	\$520,864	\$568,215	\$473,513	\$473,513	\$568,215	\$568,215	\$520,864	\$378,810	\$262,799	\$248,594	\$59,189	\$59,189	

¹Colliers International Estimate

Based on our research, indirect costs are typically 10% to 20% of direct cost for this type of development in the marketplace. This range is generally supported by the cost comparables presented ahead that indicate a range for indirect costs from 2% to 49% of direct costs. Considering the size and project characteristics, we have estimated indirect costs at 15% of direct costs.

Entrepreneurial profit and overhead compensates the developer for project risk and management. It is unlikely that a developer would proceed with a development unless adequate profit is available to justify the effort. Based on anecdotal evidence provided by developers of similar Self-Storage Facility projects, profit is typically based on a percentage of replacement cost, generally 5% to 15%, depending upon project size, location, marketability and risk. An entrepreneurial profit and overhead allocation of 25% was used in this analysis.

The replacement cost new as developed with Marshall Valuation Service is summarized in the following table.

REPLACEMENT COST NEW SUMMARY (BUILDINGS)			
MARSHALL VALUATION SERVICE			
Direct & Indirect Costs		\$4,791,530	\$94.84/SF
Entrepreneurial Incentive	@25%	\$1,197,882	\$23.71/SF
TOTAL REPLACEMENT COST NEW (RCN)		\$5,989,412	\$118.56/SF

Developer's Cost Schedule

We reviewed a cost schedule prepared by Developer dated January 1, 2021, as summarized in the table below.

DEVELOPER'S COST SCHEDULE			
Direct Costs		\$3,071,254	\$60.79/SF
Up front Start Up Expenses		\$87,640	
Phase 1 (Site Finish)		\$878,230	
Office & 5 Buildings Finish		\$677,004	
Phase 2		\$568,000	
Phase 3		\$209,380	
Contractors Overhead & Profit		\$418,000	
Financing Costs		\$233,000	
Total Direct Costs		\$3,071,254	\$60.79/SF
Indirect Costs		\$213,619	\$4.23/SF
Soft Costs		\$213,619	
Total Indirect Costs		\$213,619	\$4.23/SF
Incentive @ 25%		\$821,218	\$16.26/SF
Subtotal Costs			
TOTAL COSTS		\$4,106,091	\$81.28/SF

The preceding developer's costs reflect the most recent detailed cost budget for the subject's proposed construction. All costs associated with site improvements were excluded, as they are analyzed separately ahead. The developer's cost schedule included an incentive allocation 25% of direct and indirect costs, which was consistent with our estimate with the Marshall Valuation Service section. Therefore, this allocation was adjusted to our estimate of 25% to remain consistent.

Cost Comparables

The cost comparables selected for this analysis are summarized in the following table.

COST COMPARABLES						
COMPARABLE	1	2	3	4	5	6
Cost Year Built	2019	2021	2020	2019	2019	2018
Property Type	Self-Storage	Self-Storage	Self-Storage	Self Storage	Self Storage	Self Storage
State	CA	CA	CA	CA	CA	CA
Units	595	624	677	772	749	443
Gross Building Area	67,190 SF	117,975 SF	102,593 SF	111,834 SF	74,695 SF	56,527 SF
Direct Cost	\$5,600,000	\$6,605,192	\$6,575,535	\$7,604,712	\$7,091,319	\$3,300,000
Indirect Cost	\$378,000	\$106,506	\$571,786	\$701,270	\$541,200	\$1,615,000
Subtotal	\$5,978,000	\$6,711,698	\$7,147,321	\$8,305,982	\$7,632,519	\$4,915,000
Incentive %	25.0%	25.0%	25.0%	25.0%	25.0%	25.0%
Incentive \$	\$1,494,500	\$1,677,925	\$1,786,830	\$2,076,496	\$1,908,130	\$1,228,750
Total Costs	\$7,472,500	\$8,389,623	\$8,934,151	\$10,382,478	\$9,540,649	\$6,143,750
Per Unit	\$12,559	\$13,445	\$13,197	\$13,449	\$12,738	\$13,869
Per Square Foot	\$111.21	\$71.11	\$87.08	\$92.84	\$127.73	\$108.69
LOW	\$12,559/Unit	\$71/SF				
HIGH	\$13,869/Unit	\$128/SF				
AVERAGE	\$13,209/Unit	\$100/SF				

The cost comparables ranged in size from 56,527 to 117,975 SF, with an average of 88,469 SF. The comparable buildings were built between 2018 and 2021. Included in the cost breakdown for each comparable are direct costs, indirect costs and profit. The replacement cost new (excluding site improvements) of the cost comparables ranged from \$71/SF to \$128/SF, and averaged \$100/SF.

Building Replacement Cost New Conclusion (Buildings)

The following table summarizes the indicators that were used to estimate the replace cost new of the subject building improvements and the reconciled conclusion.

REPLACEMENT COST NEW ESTIMATES CONCLUSION (BUILDINGS)			
APPROACH	TOTAL	\$/UNIT	\$/SF
Marshall Valuation Service Cost Estimate	\$5,989,412	\$15,125	\$119
Developer's Cost Schedule	\$4,106,091	\$10,369	\$81
Cost Comparables (Average)	\$5,040,758	\$12,729	\$100
CONCLUDED REPLACEMENT COST NEW (BUILDINGS)	\$5,989,412	\$15,125	\$119

The analysis supports a range for replacement cost new of the building improvements from \$87.08 to \$127.73/SF. Primary weight was placed on the Marshall Valuation Services cost estimate in the reconciled conclusion of \$119.

Site Improvements Replacement Cost

The replacement cost new of the subject site improvements is presented in the following table.

SITE IMPROVEMENTS REPLACEMENT COST NEW								
ITEM	UNITS	AREA	RCN	TOTAL RCN	INDIRECT 15%	ADJUSTED RCN	INCENTIVE 30%	TOTAL RCN
Site Improvements	SF	69,705	\$22.50	\$1,568,363	\$235,254	\$1,803,617	\$541,085	\$2,344,702

The site improvements area was calculated based on the subject useable land area less the footprint of the buildings, or 69,705 SF. The replacement cost new was estimated at \$22.50/SF with support from Marshall Valuation Service, the developer's cost schedule and cost comparables. Allocations for indirect costs of 15% and profit of 25% were carried forward from the conclusions made within the analysis of building improvements.

The following table shows the estimated depreciation and the resulting depreciated replacement cost for the subject site improvements.

SITE IMPROVEMENTS DEPRECIATION											
ITEM	RCN	PHYS CURABLE	FUNCT CURABLE	ADJ TOTAL	ECON LIFE	EFF AGE	DEPREC %	AGE/LIFE DEPREC	ADJ TOTAL	ECON OBS 0%	DEPREC COST
Site Improvements	\$2,254,521	\$0	\$0	\$2,254,521	15	0	0%	\$0	\$2,254,521	\$0	\$2,254,521

Depreciation for physical and functional curable was noted in the schedule above. If applicable, economic obsolescence is independently estimated and deducted.

COST APPROACH CONCLUSION

The Cost Approach analysis and conclusion are presented in the following table.

COST APPROACH VALUE CONCLUSION			
IMPROVEMENTS (BUILDINGS)			
Direct & Indirect Costs			\$4,791,530
PLUS: Entrepreneurial Incentive			\$1,197,882
LESS: Total Depreciation			\$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (BUILDINGS)			\$5,989,412
IMPROVEMENTS (SITE)			
Direct & Indirect Costs			\$1,803,617
PLUS: Entrepreneurial Incentive			\$450,904
LESS: Total Depreciation			\$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS (SITE)			\$2,254,521
SUMMARY (ALL IMPROVEMENTS)			
Adjusted Costs/Cost New			\$6,595,147
PLUS: Total Entrepreneurial Incentive			\$1,648,787
TOTAL REPLACEMENT COST NEW			\$8,243,933
LESS: Total Depreciation			\$0
TOTAL DEPRECIATED VALUE OF IMPROVEMENTS			\$8,243,933
PLUS: Land Value (Primary Site)			\$960,000
PROSPECTIVE VALUE UPON COMPLETION	\$23,232/Unit	\$182/SF	\$9,200,000
LESS: LEASE UP COSTS	\$3,687/Unit	\$29/SF	\$1,460,000
PROSPECTIVE VALUE UPON STABILIZATION	\$26,919/Unit	\$211/SF	\$10,660,000

Rounded to nearest \$10,000

PRESENTATION OF VALUE CONCLUSIONS

Our opinion of value reflects current conditions and the likely actions of market participants as of the date of value. It is based on the available information gathered and provided to us, as presented in this report, and does not predict future performance. Changing market or property conditions can and likely will have an effect on the subject's value.

The following table summarizes our final opinions of the As-Is Market Value, Prospective Value Upon Completion and Prospective Value Upon Stabilization of the subject property's fee simple interest. At the request of the client we have also completed an Insurable Replacement Cost Estimate.

ANALYSIS OF VALUE CONCLUSIONS			
VALUATION INDICES	MARKET VALUE AS-IS	PROSPECTIVE VALUE UPON COMPLETION	PROSPECTIVE VALUE UPON STABILIZATION
INTEREST APPRAISED	FEE SIMPLE	FEE SIMPLE	FEE SIMPLE
DATE OF VALUE	SEPTEMBER 9, 2021	JANUARY 15, 2022	JANUARY 15, 2024
Cost Approach	-	\$9,200,000	\$10,660,000
Sales Comparison Approach	-	\$10,100,000	\$11,560,000
Income Approach	-	\$10,240,000	\$11,700,000
FINAL VALUE CONCLUSION	\$960,000	\$10,240,000	\$11,700,000
\$/Unit	\$2,424/Unit	\$25,859/Unit	\$29,545/Unit
\$/SF (NRA)	\$19.94/SF	\$212.67/SF	\$242.99/SF
Implied Capitalization Rate	-	-	5.00%
Exposure Time	Six Months or Less		
Marketing Period	Six Months or Less		
OTHER CONCLUSIONS	AS OF SEPTEMBER 9, 2021		
Insurable Replacement Cost	\$3,830,000		
Land Value	\$960,000		

We 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 of the signers are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- › The signers of this report 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.
- › Jeffrey Shouse, MAI, CRE has performed no services, as an appraiser or in any other capacity regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- › The signers are not biased with respect to the property that is the subject of this report or to the parties involved with this assignment.
- › The engagement in this assignment was not contingent upon developing or reporting predetermined results.
- › The 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.
- › The reported analysis, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and the *Code of Professional Ethics and Standards of Professional Appraisal Practice* of the Appraisal Institute.
- › Jeffrey Shouse, MAI, CRE inspected the property that is the subject of this report. Brayden Shouse did not inspect the property that is the subject of this report.
- › Brayden Shouse provided significant real property appraisal assistance to the appraisers signing the certification. Assistance included gathering, analyzing and reporting regional, local area, zoning, and tax information, confirming some of the comparable data, and assisting with portions of the valuation analysis.

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 Jeffrey Shouse, MAI, CRE completed the continuing education program for Designated Members of the Appraisal Institute. As of the date of this report Brayden Shouse has completed the Standards and Ethics Education Requirement for (Candidates or Practicing Affiliates) of the Appraisal Institute.



Jeffrey Shouse, MAI, CRE
 National Self-Storage Director
 Certified General Real Estate Appraiser
 State of California License #AG026208
 +1 916 724 5531
 jeffrey.shouse@colliers.com

September 15, 2021

Date

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

- › The appraisers may or may not have been provided with a survey of the subject property. If further verification is required, a survey by a registered surveyor is advised.
- › We assume no responsibility for matters legal in character, nor do we render any opinion as to title, which is assumed to be marketable. All existing liens, encumbrances, and assessments have been disregarded, unless otherwise noted, and the property is appraised as though free and clear, under responsible ownership, and competent management.
- › The exhibits in this report are included to assist the reader in visualizing the property. We have made no survey of the property and assume no responsibility in connection with such matters.
- › Unless otherwise noted herein, it is assumed that there are no encroachments, zoning, or restrictive violations existing in the subject property.
- › The appraisers assume no responsibility for determining if the property requires environmental approval by the appropriate governing agencies, nor if it is in violation thereof, unless otherwise noted herein.
- › Information presented in this report has been obtained from reliable sources, and it is assumed that the information is accurate.
- › This report shall be used for its intended purpose only, and by the party to whom it is addressed. Possession of this report does not include the right of publication.
- › The appraisers may not be required to give testimony or to appear in court by reason of this appraisal, with reference to the property in question, unless prior arrangements have been made therefore.
- › The statements of value and all conclusions shall apply as of the dates shown herein.
- › There is no present or contemplated future interest in the property by the appraisers which is not specifically disclosed in this report.
- › Without the written consent or approval of the authors neither all, nor any part of, the contents of this report shall be conveyed to the public through advertising, public relations, news, sales, or other media. This applies particularly to value conclusions and to the identity of the appraisers and the firm with which the appraisers are connected.
- › This report must be used in its entirety. Reliance on any portion of the report independent of others, may lead the reader to erroneous conclusions regarding the property values. Unless approval is provided by the authors no portion of the report stands alone.
- › The valuation stated herein assumes professional management and operation of the buildings throughout the lifetime of the improvements, with an adequate maintenance and repair program.
- › The liability of Colliers International Valuation & Advisory Services, its principals, agents, and employees is limited to the client. Further, there is no accountability, obligation, or liability to any third party. If this report is placed in the hands of anyone other than the client, the client shall make such party aware of all limiting conditions and assumptions of the assignment and related discussions. The appraisers are in no way responsible for any costs incurred to discover or correct any deficiency in the property.
- › The appraisers are not qualified to detect the presence of toxic or hazardous substances or materials which may influence or be associated with the property or any adjacent properties, has made no investigation or analysis as to the presence of such materials, and expressly disclaims any duty to note the degree of fault. Colliers International Valuation & Advisory Services and its principals, agents, employees, shall not be liable for any costs, expenses, assessments, or penalties, or diminution in value,

property damage, or personal injury (including death) resulting from or otherwise attributable to toxic or hazardous substances or materials, including without limitation hazardous waste, asbestos material, formaldehyde, or any smoke, vapors, soot, fumes, acids, alkalis, toxic chemicals, liquids, solids or gasses, waste materials or other irritants, contaminants or pollutants.

- › The appraisers assume no responsibility for determining if the subject property complies with the *Americans with Disabilities Act (ADA)*. Colliers International Valuation & Advisory Services, its principals, agents, and employees, shall not be liable for any costs, expenses, assessments, penalties or diminution in value resulting from non-compliance. This appraisal assumes that the subject meets an acceptable level of compliance with *ADA* standards; if the subject is not in compliance, the eventual renovation costs and/or penalties would negatively impact the present value of the subject. If the magnitude and time of the cost were known today, they would be reduced from the reported value conclusion.
- › An on-site inspection of the subject property was conducted. No evidence of asbestos materials on-site was noted. A Phase 1 Environmental Assessment was not provided for this analysis. This analysis assumes that no asbestos or other hazardous materials are stored or found in or on the subject property. If evidence of hazardous materials of any kind occurs, the reader should seek qualified professional assistance. If hazardous materials are discovered and if future market conditions indicate an impact on value and increased perceived risk, a revision of the concluded values may be necessary.
- › A detailed soils study was not provided for this analysis. The subject's soils and sub-soil conditions are assumed to be suitable based upon a visual inspection, which did not indicate evidence of excessive settling or unstable soils. No certification is made regarding the stability or suitability of the soil or sub-soil conditions.
- › This analysis assumes that the financial information provided for this appraisal, including rent rolls and historical income and expense statements; accurately reflect the current and historical operations of the subject property.

Engagement Letter

Budget

Purchase & Sale Agreement

Rent Roll

Improvement Costs

Valuation Glossary

Qualifications of Appraisers

Qualifications of Colliers International Valuation & Advisory Services

INSURABLE REPLACEMENT COST

At the client's request, we have included an estimate of the insurable replacement cost estimate of the subject improvements, which represents the replacement cost new of the subject improvements, exclusive of land value and profit, and the costs associated with excavation, site work, foundations and architects fees. Insurance coverage is usually specific to a given project. We have not been provided with the specific policy requirements, which limit the reliability of the conclusion. Insurable replacement cost is a matter of underwriting as opposed to valuation. Users of this report should not construe the conclusion of insurable value to be an indication of market value. The insurable estimate is made using base costs and multiplier adjustments for market conditions and location from *Marshall Valuation Service*, which is assumed to accurately reflect replacement cost of the subject. We assume no liability as to the subject's insurable replacement cost and recommend that an estimate from a reputable insurance company be obtained if further assurance is required.

The following chart summarizes the insurable replacement cost estimate:

INSURABLE REPLACEMENT COST																
MARSHALL VALUATION SERVICE DIRECT COST																
Number of Buildings	15															
Gross Building Area	50,520 SF	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
MVS Building Type		Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage	Self-Storage
Component Description		Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage	Mini Storage
MVS Section/Page/Class		14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S	14/28/S
MVS Publication Date		Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20	Dec-20
Quality Rating		Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent	Good/Excellent
Component SF (Gross)		3,150	4,650	3,000	4,400	4,800	4,000	4,000	4,800	4,800	4,400	3,200	2,220	2,100	500	500
Base Cost (Per SF)		\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00	\$59.00
SQUARE FOOT REFINEMENTS																
Fire Sprinklers		\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Subtotal		\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00
HEIGHT & SIZE REFINEMENTS																
Number of Stories Multiplier		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Height Per Story Multiplier		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Area/Perimeter Multiplier		1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000	1.000
Subtotal		\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00	\$61.00
COST MULTIPLIERS																
Current Cost Multiplier		1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08	1.08
Local Multiplier		1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28	1.28
DIRECT COSTS PER SF		\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33	\$84.33
TOTAL REPLACEMENT COST NEW		\$265,628	\$392,118	\$252,979	\$371,036	\$404,767	\$337,306	\$337,306	\$404,767	\$404,767	\$371,036	\$269,844	\$187,205	\$177,085	\$42,163	\$42,163
BASE IMPROVEMENT COST		\$4,260,170														
Demolition	0%	\$0														
Insurable Replacement Exclusion ¹ 10%		(\$426,017)														
Insurable Replacement Cost		\$3,830,000														

¹Colliers International Estimate

Rounded to nearest \$10,000



MountainSeed Appraisal Management, LLC
2100 Powers Ferry Road SE, Suite 410
Atlanta, GA 30339
404-973-2568

APPRAISAL REQUEST FORM
COMPANY: Byline Bank – Schaumburg, IL

State Registration Number: 3000320

File Information

File ID: 210813152 **Due Date:** 9/15/2021
Loan Number: Austin Self Storage

Appraiser Information

Loan Type: SBA **Appraiser:** Esparza, Joe
Form: Appraisal Report (Narrative format)
Service Fee: \$5500.00 **Interest Valued:** Fee Simple
Real Estate Valued: Land and Improvements **Effective Date of Value As Is**
Valuation: Prospective Value Upon Completion
Prospective Value Upon Occupancy
Stabilization

Client Information

Client: Byline Bank –
Schaumburg, IL **Borrower:**
Address: 10 N. Martingale Rd. Suite
160 **Co-Borrower:**
Schaumburg, IL 60173 **Company Name:**

Subject Property

Address: 183 S Austin Rd **Intended Use:** Other (Please Specify): new SBA loan
Manteca, CA 95336 **Appraisal Category:** Origination
County: San Joaquin **Map:** [Map Link](#)
Property Type: Other (Please Specify): Self Storage
Property Tax ID: 228-020-46
Description: APPRAISERS: THIS IS A RUSH ORDER. PLEASE PROVIDE A FEE COMMENSURATE
WITH YOUR BEST POSSIBLE TURNAROUND TIME. THANK YOU.

self-storage storage buildings being constructed will sit on a 2.76 acres parcel of land

Please be advised that the lender did not provide any additional information on this order.
The Appraiser should do their due diligence on researching the subject before bidding. Any
comments should be provided in the bid notes. Thank you

US Small Business Administration should also be listed as an intended user.

*****SBA Appraisal Requirements*****

Per SOP 50 10 Version: 06 (effective – Oct 1, 2020) (applicable sections):

"C. The "Appraisal Report" must be prepared in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP)."

"D. In order for the appraiser to identify the scope of work appropriately, the appraisal must identify SBA as the client or an intended user of the appraisal, as those terms are defined in the Uniform Standards of Professional Appraisal Practice (USPAP). The CDC may also be identified as the client or an intended user. It is acceptable to SBA if the appraisal identifies the Third Party Lender as the client and SBA as an intended user. The CDC may not use an appraisal prepared for the applicant. The cost may be passed on to the borrower."

"F. If the loan will be used to acquire an existing building that does not require construction, the appraiser should estimate market value on an as-is basis. If the appraiser estimates the value other than on an as-is basis, the narrative must include an explanation of why the as-is basis was not used."

"G. If the appraisal engagement letter asks the appraiser for a business enterprise or going concern value, the appraiser must allocate separate values to the individual components of the transaction including land, building, equipment and business (including intangible assets)."

"H. When the collateral is a Special Purpose Property, the appraiser must be experienced in the particular industry."

– Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

Prior Experience: The property being bid is a Self Storage facility. These properties are often considered to be complex assignments. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure they have an appraiser that is qualified to perform the appraisal.

Are there issues that the financial institution knows about that could impact value?

Property Contact Information

Contact Person: John Pinedo

Work Phone: 209–256–1084

Cell Phone:

Home Phone:

Contact Email Address: johnpinedo7@yahoo.com

Note: This appraisal order is not transferrable to another appraiser. If the appraiser named on this appraisal request is unable to complete this assignment please contact MountainSeed AMC at 404–973–2568. All appraisers are approved on an individual basis, if this assignment is completed by another appraiser MountainSeed AMC will not be liable for any appraisal related service fee.



Date: 8/24/2021

Appraisal Company: Colliers International
Appraisal Co Address: 1508 Eureka Road, Suite 250
Roseville, CA 95661

Regarding: 183 S Austin Rd Manteca, CA 95336

Dear: Joe Esparza

This letter (this **"Engagement Letter"**) confirms your engagement to prepare an appraisal of the property described below in compliance with the terms and conditions set forth below.

Basic Information

Property to Be Appraised: 183 S Austin Rd Manteca, CA 95336

Property Description: APPRAISERS: THIS IS A RUSH ORDER. PLEASE PROVIDE A FEE COMMENSURATE WITH YOUR BEST POSSIBLE TURNAROUND TIME. THANK YOU.

self-storage storage buildings being constructed will sit on a 2.76 acres parcel of land

Please be advised that the lender did not provide any additional information on this order. The Appraiser should do their due diligence on researching the subject before bidding. Any comments should be provided in the bid notes. Thank you

US Small Business Administration should also be listed as an intended user.

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– Additional Comment: Although the requirement is not found in the SBA SOP, it is often requested and stated by banks that there be at least two appraisal approaches considered in an SBA compliant appraisal. The appraiser should also provide at least two approaches.

Prior Experience: The property being bid is a Self Storage facility. These properties are often considered to be complex assignments. Please comment on your level of experience and approximately how many similar properties you have appraised in the past 36 months. You must include these comments in the order as the bank is attempting to ensure they have an appraiser that is qualified to perform the appraisal.

Interest in the
Property to be
Appraised: Fee Simple

Client: Byline Bank – Schaumburg, IL

Intended User: Financial Institution

Borrower (if
Applicable):

Property Owner
Contact Name: John Pinedo

Property Owner
Phone: 209–256–1084

Appraisal
Management
Company: MountainSeed Appraisal Management, LLC

Valuation
Methodology to
Be Used: **Value As Is**
Prospective Value Upon Completion
Prospective Value Upon Occupancy Stabilization

Appraisal Form
to Be Used: Appraisal Report (Narrative format)

Fee: \$5500.00

Due Date: 9/15/2021

Addressee: Your Appraisal Report should be addressed to the Financial Institution.

I. INSTRUCTIONS

a. Purpose of the Assignment

The purpose of the assignment is to develop and report an informed and independent opinion of the Market Value of the Subject Property.

b. Intended Use

The report you prepare is intended to be used by the Financial Institution as an aid in underwriting a loan, loan modification or loan extension; classification or monitoring of a loan; and/or the disposition or monitoring of REO or loan collateral, which may constitute a federally-related real estate transaction for purposes of applicable federal appraisal regulations. The Financial Institution may, without your prior authorization or a notice to you, provide your report to other parties for their use, including without limitation in lending-related activities.

c. Acceptance of the Assignment

You must accept or decline this assignment ***within one (1) business day***.

d. Web Portal

The Financial Institution has engaged MountainSeed to provide certain appraisal management company services to the Financial Institution. The Financial Institution has appointed MountainSeed as the Financial Institutions agent for purposes of engaging you on behalf of the Financial Institution in accordance with this Engagement Letter. Accordingly, you must direct communications about this appraisal assignment to MountainSeed through the web-based software system with which you registered prior to receiving this assignment (the ***Web Portal***). If you have an issue with the Web Portal, please contact MountainSeed by phone (404) 973-2568 or email (info@mountainseed.com).

You agree to consistently monitor the Web Portal for updates and correspondence from MountainSeed.

You agree to respond to all communications from MountainSeed within one (1) business day, and you agree to comply with the other timing and delivery requirements set forth below. Failure to respond to communications from MountainSeed regarding this appraisal assignment, or failure to meet any of the other timing and delivery requirements, may result in the work being reassigned to another appraiser. You understand that the Financial Institution reserves the right to withhold payment in the event the assignment is reassigned due to your failure to meet timing and delivery requirements.

e. Requirement to Decline the Assignment or Stop Work

You must decline this assignment if you are not geographically competent, the assignment falls outside of your scope of practice restrictions, or you know of any reason you would not be able to provide an unbiased and independent professional judgment as to the Market Value of the Subject Property. Furthermore, you must stop work and immediately notify MountainSeed if you later determine that you are not qualified to complete the assignment. You acknowledge that you have received a copy of MountainSeeds Appraiser Independence Policy (AP0001) (the ***Appraiser Independence Policy***), which is incorporated into this Engagement Letter by this reference. ***If you believe that a violation of the Appraiser Independence Policy has occurred, or any applicable conflict of interest or independence requirements (such as attempts by others to influence or coerce) have been compromised in any way, you will immediately stop work and contact MountainSeeds compliance hotline at 1-877-848-4914.***

f. Requirements for Completion of the Assignment

i. Inspection

Immediately, but in no event less than ***two (2) business days***, following your acceptance of this assignment, you should contact the property contact to schedule an inspection. If you are unable to reach the property contact, please notify MountainSeed immediately. As soon as the inspection date has been set, you should change the order status in the Web Portal to ***"Appt. Set"*** and add the date and time of the appointment in the appropriate section of the order.

ii. Property Information

The description of the Subject Property and any other information provided to you by MountainSeed or Financial Institution is provided on an **As-Is, Where-Is** basis with no representation or warranty whatsoever.

If at any time you discover a material discrepancy or insufficiency in the description of the Subject Property or other information provided to you that necessitates a change in the scope of the work, your fee or the Due Date, you must notify MountainSeed within **one (1) business day** of such discovery (and in any event prior to the Due Date and your delivery of the Appraisal) and the parties will work together to agree upon a mutually satisfactory amendment to this Engagement Letter to memorialize any such necessary changes.

iii. Uniform Standard

In performing the assignment, you and your work product must conform to generally accepted appraisal standards as evidenced by the Uniform Standards of Professional Appraisal Practice (**USPAP**) promulgated by the Appraisal Standards Board of the Appraisal Foundation.

iv. Additional Requirements

You and your work product must comply with the regulations, guidelines, and standards specified in the MountainSeed General Guidelines for Financial Institutions, Commercial Appraisal Services (herein referred to as the **Additional Requirements**). You can access these guidelines via the following link:

<https://mountainseed.com/valuationguidelines-commercial/>

By signing this engagement letter, you acknowledge that you have received a copy of these Guidelines.

While you must comply, and must ensure that your work product complies, with those provisions in the respective federal laws and regulations that are applicable to you and your performance of this assignment, this Engagement Letter does not require you to guaranty compliance with portions of those federal laws and regulations that do not apply to your performance of this assignment or over which you have no control whatsoever. However, you must be knowledgeable about and comply with any provisions of the laws, regulations, and guidelines discussed above that apply to your work. For example, you must comply with the requirement to provide an As Is Market Value for assignments involving federally related transactions. This requirement applies to all assignments, including those involving new construction or for properties undergoing renovation. Please remember that under USPAPs Scope of Work Rule, assignment conditions include laws and regulations. You may also wish to refer to USPAP Advisory Opinion 30, *Appraisals for Use by a Federally Regulated Financial Institution*.

v. Special Requirements

Your Appraisal must comply with USPAP, the Additional Requirements stated above, and all the terms and conditions and any Special Requirements set forth in this Engagement Letter.

vi. State-Specific Requirements

1. AMC Registration/License Number & Fee Disclosure

Appraisals are expected to comply with any state-specific requirements regarding the disclosure of: (a) MountainSeed's AMC registration or license number, as applicable; and/or (b) the fee paid for your services.

Pursuant to state law, MountainSeed cannot prohibit the appraiser from disclosing the appraisal fee within the appraisal report. Furthermore, MountainSeed does not require the appraiser to disclose the AMC registration/license number or appraisal fee within the appraisal report, however in the following states, you should disclose the AMC registration and/or your fee within the body of the appraisal report. (Note: This list is provided for informational purposes only. It is your responsibility to verify disclosure requirements with the licensing board in the state where the subject property is located.)

State	Appraiser to Disclose in Report (AMC #, Fee, or Both)	Special Instructions
-------	---	----------------------

Alabama	AMC #	Appraiser shall state fee paid to appraiser in certification of report.
Arizona	Fee	Appraiser shall state their fee in scope of work section of report.
Colorado	Fee	None
Georgia	Both	None
Illinois	Both	<p>1) An independent appraiser by employment or contract for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."</p> <p>2) An employee appraiser for a specific assignment, the appraiser shall prominently display the appraisal fee received from the appraisal management company in the certification as follows: "The compensation for this appraisal assignment is \$_____."</p> <p>3) An employee appraiser who receives a salary and does not receive a fee for the assignment, the employee appraiser shall prominently display the following language: "The appraiser is a salaried employee and</p>

		received no appraisal fee for the assignment." 4) An appraiser for a specific assignment, the appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is _____ and it expires on (month/day/year)."
Kentucky	Both	Appraiser to place AMC name, registration number and fee paid to appraiser in report.
Louisiana	Fee	None
Montana	AMC #	None
Nevada	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
New Jersey	Both	None
New Mexico	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Ohio	Both	Appraiser to state actual fees paid to the appraiser within the body of the appraisal report.
Utah	Fee	Appraiser to state total paid to appraiser and total fee retained by AMC.
Vermont	Fee	Appraiser to state fee paid to appraiser in report.

2. Assignments Involving Illinois Property

For appraisal assignments involving property located in the state of Illinois, you must comply with the requirements of Illinois law and the Illinois Administrative Code. Illinois has established state law governing appraisal assignments in which an AMC is involved. You must comply with Illinois law, including the provisions of Illinois Administrative Code Section 1455.250.

a. Client(s) & Intended User(s)

MountainSeed is an appraisal management company (AMC) and is engaging you on the Financial Institutions behalf, acting as the Financial Institutions agent. As the Financial Institution is engaging you through MountainSeed (an agent), the Financial Institution is also a client. Accordingly, notwithstanding any provision to the contrary contained in this Engagement Letter, ***you must identify MountainSeed as the client and the Financial Institution as the intended user in the appraisal report.***

b. AMC Illinois Registration Number

The appraiser shall prominently display the appraisal management company's Illinois registration number and expiration date as follows: "The appraisal management company's Illinois registration number is 558.000010 and it expires on (month/day/year)."

Verify current expiration date at: <https://ilesonline.idfpr.illinois.gov/DFPR/Lookup/LicenseLookup.aspx>

vii. *Form-Specific Requirements*

1. FHLMC Form 71A

If Form 71A is used, the appraiser must conspicuously state in an addendum that the pre-printed definition of market value, contingent & limiting conditions, certification, and FHLMC Form 461 (lease analysis) referenced on Form 71A are outdated and are not incorporated in the report. (See 71A Addendum Example below).

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71A Addendum Example:

FORM 71A CONTAINS THE FOLLOWING PRE-PRINTED ELEMENTS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE PRE-PRINTED ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

- 1. Definition of Market Value Not current (c.1975) as printed on Form 71A and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)*
- 2. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]*
- 3. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)*
- 4. FHMLC Form 461 (Lease Analysis) Inadequate to meet current standards and requirements for development and reporting.*

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

2. FHLMC Form 71B

If a 71B is ordered, the appraiser must conspicuously state in an addendum that FHLMC 239 (certification and statement of limiting conditions, including definition of market value) and FHLMC Form 461 (lease analysis) referenced on form 71B are outdated and are not incorporated in the report. (See 71B Addendum Example below)

At a minimum, the report must contain a current definition of market value, assumptions and limiting conditions, and certifications that comply with the current USPAP.

71B Addendum Example:

FORM 71B CONTAINS PRE-PRINTED REFERENCES TO THE FOLLOWING FORMS THAT ARE OUTDATED AND COMPROMISE COMPLIANCE WITH CURRENT STANDARDS AND GUIDELINES. THESE ELEMENTS ARE NOT INCORPORATED IN THE REPORT.

1. FHLMC 239 Outdated due to:

a. Definition of Market Value) Not current (c. 1975) and not consistent with the current FIRREA definition. (See FIRREA Title XI § 323.2 Definitions. (h) Market value)

b. Contingent & Limiting Conditions Not current with USPAP as they contain assumptions that appear to require explicit identification as Extraordinary Assumptions (e.g. assumptions regarding condition). [See USPAP Standard 2-2 (a)(xiii)]

c. Certification Not current or consistent with the current minimum certification required by USPAP. (See USPAP Standard 2-3)

2. FHLMC Form 461 (Lease Analysis) Inadequate to meet current standards and requirements for development and reporting.

THE APPRAISER HAS REPLACED THESE WITH ADDENDA AND ATTACHMENTS THAT COMPLY WITH CURRENT STANDARDS AND GUIDELINES.

g. Requirements for Delivery of the Appraisal

i. Delivery to MountainSeed

You must upload the Appraisal, including all exhibits and addendums, in a color PDF format to the Web Portal. You must upload a separate PDF of your invoice for the report in accordance with the Invoicing and Payment section below. The invoice should comply with the requirements of Section II(b) of this Engagement Letter.

ii. Due Date

You must deliver all work product required under the terms of this Engagement Letter by 5pm (local time of the subject property) on the Due Date. You must promptly notify MountainSeed in writing, and in no event less than two (2) business days prior to the Due Date, in the event that you anticipate any delay in meeting the Due Date. MountainSeed shall be under no obligation to extend the Due Date.

iii. Effective Date of the Appraisal

The effective date of your valuation opinion must be within thirty (30) days of the date of your delivery of the Appraisal, unless instructed otherwise.

II. POST-DELIVERY

a. Review of the Appraisal and Response to Related Inquiries

You acknowledge that MountainSeed may, for the benefit of MountainSeed and the Financial Institution, conduct or cause to be conducted a review of your completed appraisal. In connection with that review, MountainSeed may contact you to discuss your appraisal, to ask questions, or to request revisions in connection with MountainSeeds Appraisal Independence Policy. You agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within two (2) business days** to address any requests for revisions or additional information. You acknowledge that the resolution of such requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

Furthermore, you acknowledge that MountainSeed may use the results of any reviews or other quality control processes to establish an appraiser scorecard or other methodology or process for determining the quality of your work product (a **Scorecard**), and you agree that MountainSeed may share the results of any such Scorecard with the Financial Institution and other Financial Institution clients and third parties. You have the right to request a copy of your Scorecard and to dispute any information contained in it.

MountainSeed agrees to use good faith efforts to cooperate with you in resolving any such disputes regarding information contained on your Scorecard.

b. Invoicing and Payment

i. Generally

You must address your invoice to the Financial Institution at its address and submit it with your completed Appraisal. **The fee for this engagement set forth above includes all expenses, including travel and any technical assistance that you feel is necessary or appropriate.** Your invoice at a minimum should include your contact information, the property address and MountainSeed File ID Number, the fee, an invoice date and payment terms, and shall be accompanied by a completed IRS W-9 Form (unless you have already provided a copy of your W-9 to MountainSeed).

Provided you have delivered the appraisal and otherwise fully satisfied your obligations hereunder, the Financial Institution will pay your fee as set forth above within thirty (30) days following the later to occur of (1) the Financial Institutions receipt of your invoice and all required supplemental information (e.g., W-9) or (2) the Financial Institutions receipt of completed report or work product meeting all requirements of this Engagement Letter. You acknowledge and agree that the Financial Institution may withhold payment of your fee in the event your work product, in the Financial Institutions reasonable discretion, does not comply with any requirement of this Engagement Letter.

Please note that MountainSeed does not charge the Financial Institution an all-inclusive flat fee (your appraiser fee and the AMC fee combined). Instead, MountainSeed's arrangement with the Financial Institution requires you to invoice the Financial Institution directly for your agreed-upon fee. MountainSeed's fee is invoiced separately from yours. We believe this model provides transparency for you. We believe that asking you to bill the Financial Institution directly for your appraisal fee eliminates delay.

While it is our belief that this is the best payment model, we also understand that it is possible that from time to time a Financial Institution may be delinquent in timely payment. We do not want to be a deterrent in your receiving timely payment. If you have outstanding invoices that are excessively delinquent and would like to inquire directly to the Financial Institution on the status of your payment, please feel free to place a message in the Web Portal and request the contact information for the accounts payable department at the Financial Institution.

PLEASE NOTE THAT, EXCEPT AS SPECIFICALLY PROVIDED ELSEWHERE IN THIS AGREEMENT, MOUNTAINSEED DOES NOT ASSUME LIABILITY FOR YOUR FEE IN THE EVENT THE FINANCIAL

INSTITUTION FAILS TO PAY OR IS DELINQUENT IN PAYING YOUR INVOICE.

ii. Payment Requests

*If you believe that the Financial Institution has failed to pay your fee for an appraisal within 25 days of the date you transmitted to us your completed appraisal, except where you have been notified of any non-compliance with the conditions of the engagement, in addition to placing a message in the Web Portal please contact MountainSeed immediately at accounting@mountainseed.com so that we can work with you and the Financial Institution to ensure that you receive timely payment. Please note that while we believe that our payment policy is mutually beneficial, it does require that we rely on you to notify us when you have not been timely paid. To assist us in prioritizing your request for payment, please include the phrase **PAYMENT REQUEST** in all caps in the subject line of your email.*

c. Disputes

MountainSeed has established a policy and a process for handling dispute requests from the Financial Institution following the Financial Institutions receipt of the completed appraisal, in accordance with the Appraisal Independence Policy. If you receive a completed dispute request form through the Web Portal, you agree to respond: (i) **within one (1) business day** to acknowledge your receipt of any such communication, and (ii) **within three (3) business days** to address any requests for revisions or additional information utilizing the Web Portal. You acknowledge that the resolution of such Financial Institution dispute requests may in some cases require further analysis or written response from you and you agree that such analysis or response is part of the scope of work agreed to in connection with this assignment and will be provided at no additional charge.

III. REPRESENTATIONS AND WARRANTIES

a. Licensure/Certification

You represent and warrant that you hold the appraisal license or certification necessary to perform the appraisal assignment. Furthermore, you represent and warrant that all professional qualifications, licenses, and other information provided to MountainSeed or Financial Institution were and remain valid, true, correct, and complete in every respect, except to the extent you have notified MountainSeed and Financial Institution in writing of any change.

b. Appraisal Standards and Competency

By executing this Engagement Letter you acknowledge, declare, represent and warrant that you:

- (i) Understand the competency requirements of the pertinent version of USPAP and can satisfy each provision of the competency rule;
- (ii) Meet the competency requirements for this appraisal assignment;
- (iii) Are competent in the property type of the assignment;
- (iv) Are competent in the geographical area of the assignment;
- (v) Have access to appropriate data sources for the assignment;
- (vi) Are aware that misrepresentation of competency may be subject to the mandatory reporting requirement in the most current version of USPAP;
- (vii) Are familiar with the laws, rules, regulations, guidelines and other materials described in USPAP and the Additional Requirements;
- (viii) Are not aware of any reason why you or the Appraisal you prepare in connection with this assignment would fail to comply with USPAP and Additional Requirements, including without limitation the independence provisions and prohibitions on conflicts of interest;
- (ix) Have specific experience with the Subject Property type;
- (x) Hold all licenses, registrations, permits, certifications and governmental or other authorizations required to perform the appraisal in accordance with USPAP and the Additional Requirements, and in compliance with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines;
- (xi) Have not performed any prior services regarding the Subject Property, as an appraiser, or in any other capacity, within the three-year period ending with the date of this Engagement Letter, or if you have you have performed such services, have disclosed those services in writing in compliance with USPAP prior to accepting this assignment;
- (xii) To your actual knowledge, are not listed on an exclusionary list or any similar list maintained by any

governmental or quasi-governmental entity;

(xiii) To your actual knowledge, have not had any registration, certificate or license to act as an appraiser refused, denied, canceled, surrendered in lieu of a pending revocation, suspended or revoked by any state or appraisal board prior to or as of the date of this Engagement Letter; and

(xiv) Have no interest, direct or indirect, financial or otherwise in the Subject Property or the underlying transaction. ***(Although USPAP may allow an appraiser to appraise a property in which the appraiser has an interest with appropriate disclosures, the Additional Requirements do not permit such activity. If you have an interest in the Subject Property, you must decline this assignment.)***

c. Compliance with Applicable Law

You represent and warrant that you perform services as covered by this Engagement Letter in compliance with all applicable federal and state laws, regulations, and guidance, including, but not limited to, the laws, regulations, and guidance identified in the Additional Requirements section of this Engagement Letter.

d. Errors & Omissions Insurance

You represent and warrant that you maintain, and covenant that you shall continue to maintain (either by continuation of similar coverage with the same or a different insurance carrier or by the purchase of extended reporting period coverage or tail coverage) for a period of three years after the date of completion of this assignment, professional liability insurance (***EOInsurance***) covering damages arising from the professional appraisal services delivered by you under this Engagement Letter. Your EOInsurance shall: (i) have a minimum liability limit of \$500,000 per claim and \$1,000,000 in aggregate for all claims, (ii) be issued by an insurance carrier having a Bests Financial Strength rating of A- or better and Financial Size Category of at least Class IX, and (iii) be issued on an insurance policy form and by an insurance program acceptable to MountainSeed and Financial Institution. The policy shall not contain an exclusion for defense or damages relating to claims arising out of failed financial institutions or claims made by the FDIC or any other state or federal regulator or insurer of Financial Institutions, mortgage lenders, or other financial institutions.

You represent and warrant that you have provided MountainSeed (or other persons or entities as directed by MountainSeed) with true, correct and complete insurance declarations page or certificate of coverage evidencing your current EOInsurance together with any other insurance documentation relating to such coverage requested by MountainSeed.

You agree to supply evidence of EOInsurance whenever your EOInsurance is renewed or replaced and shall immediately inform MountainSeed (or other persons or entities as directed by MountainSeed) of any nonrenewal, cancellation, termination or change of prior acts date/retroactive date of Appraisers EOInsurance. During the period that you are required to carry EOInsurance under this Engagement Letter, you shall not make any change or alteration to your EOInsurance which results in the loss of prior acts or retroactive date coverage covering the date on which the assignment was performed under this Agreement. You consent to MountainSeed confirming EOInsurance coverage directly with the insurance carriers or insurance program administrators.

IV. INTELLECTUAL PROPERTY

As between you and the Financial Institution, the Financial Institution will be deemed to own your appraisal and any reports or other information provided by you to Financial Institution in connection with this Engagement Letter, and neither Financial Institution nor MountainSeed will be restricted in any way with respect to redistribution of such information. You shall not claim any copyrights or other ownership interests in that work product. You, however, shall have the right to retain copies of reports, documents or other information produced or utilized by you for the purpose of your work file under USPAP or as may be required under any law or regulation.

Notwithstanding the foregoing, you acknowledge and agree that, in connection with its review of your Appraisal or otherwise, MountainSeed may extract and compile market data, including without limitation, information relating to comparable sales, rents, operating expenses, income, leases, and leasing activity; neighborhood descriptions; economic trends; and similar information, including, without limitation, for purposes of populating databases to be used by MountainSeed and its affiliates in future performance of

services for, and product offerings to Financial Institution and other clients. Any such databases or other compilation of data extracted and compiled by MountainSeed shall be owned solely by MountainSeed, and you specifically disclaim, transfer, and assign to MountainSeed any right, title or interest in and to such databases and compilations and the information contained in them; provided, however, that this sentence shall not limit the Financial Institutions rights to use the appraisal in accordance with the terms of this Engagement Letter. For the absence of doubt, any such information extracted from your Appraisal and compiled by MountainSeed solely in accordance with the rights granted to MountainSeed under this paragraph shall not include your opinion of the value of the Subject Property as stated in the Appraisal, or any other confidential information relating to the Subject Property or the loan or transaction underlying the appraisal (including the identity of the lender and the identity of the borrower), or any confidential information with respect to the Financial Institution, the borrower, or the Financial Institutions or borrowers business operations, to the extent not already publicly available.

V. OTHER PROVISIONS

a. Relationship between the Parties

In the performance of services under the terms of this Engagement Letter, you shall act solely as an independent contractor, and nothing herein contained or implied shall at any time be construed so as to create the relationship of employer and employee, master and servant, partner, principal and agent or joint venture partner between you and Financial Institution or MountainSeed. Specifically, you acknowledge and agree that (i) neither Financial Institution nor MountainSeed will withhold any taxes, income or otherwise, from payments to you and that you will be required to file corporate, partnership, and/or individual tax returns and to pay taxes in accordance with applicable federal, state and local laws, (ii) this Engagement Letter is not an employment agreement, (iii) you are not an employee of MountainSeed or Financial Institution for any purpose, including, but not limited to, application of the Federal Insurance Contribution Act, Social Security Act, Federal Unemployment Tax Act, Internal Revenue Code, state and federal income tax withholding requirements, workers compensation insurance, and third-party liability claims, (iv) neither MountainSeed nor Financial Institution shall be liable for any obligations incurred by you unless specifically authorized in writing, (v) you shall not act as an agent of MountainSeed or Financial Institution, nor bind MountainSeed or Financial Institution in any manner, (vi) you shall not represent or communicate to any party that you are an employee or an agent of MountainSeed or Financial Institution, and (vii) you are free to perform services for any and all other clients or management companies and you are free to set your own hours with respect to the performance of the assignment under this Engagement Letter.

b. Subcontracting Performance of Services

i. Generally

No subcontracting or outsourcing is permitted under this Engagement Letter. You, as the person signing this Engagement Letter, shall be the person who performs and signs the Appraisal requested herein. In general, the Financial Institution expects that you shall be the person that personally inspects the Property in connection with your Appraisal. Requests to have another employee in your firm inspect the Property must be approved and accepted by MountainSeed prior to engagement. Unless specifically instructed otherwise by MountainSeed or the Financial Institution, you may receive assistance in completing the Appraisal, so long as: (1) you at all times comply with USPAP, the Additional Requirements and the other provisions of this Engagement Letter, including without limitation in documenting the assistance you received, (2) the person providing the assistance is employed directly by you or by your appraisal firm and is characterized as an employee (and not an independent contractor) for federal income tax purposes; (3) the person providing the assistance is competent and qualified to provide the assistance and holds all necessary state, federal or local licenses, certificates or other authorizations required by any applicable authority; (4) you continuously supervise the person providing the assistance at all times in any work related to this Appraisal assignment, and (5) you sign the Appraisal and certification and accept full responsibility for the work. Specifically, and without limitation, you acknowledge and agree that you are familiar with applicable state laws, rules and appraisal board regulations, if any, regarding receiving professional assistance in connection with an appraisal assignment and that you shall at all times comply with those laws, rules and regulations in receiving any assistance in performing the Appraisal. You shall not

assign this Engagement Letter to any other party, and any attempt by you to assign shall be void.

ii. State-Specific Requirements

For appraisal assignments involving property located in the state of Montana, subject to being permissible under the policies of the Financial Institution, Subsection V(b)(i), above, does not preclude you from: (i) utilizing the assistance of a licensed real estate trainee (under your supervision) or (ii) transferring the assignment to your employee who is Montana-licensed or -certified real estate appraiser who is a member of the Financial Institutions panel, provided that such individual can complete the work in accordance with USPAP and pursuant to the requirements of the Montana Board of Real Estate Appraisers.

c. No Disclaimers

The Financial Institution reserves the right not to accept the report and neither Financial Institution nor MountainSeed will be responsible for any fees or expenses incurred hereunder if your report includes disclaimers limiting your professional liability for services typically performed by an appraiser. This section shall not prohibit you from including standard disclaimers that may limit your liability for services typically performed by a third-party and that an appraiser is not qualified to perform, such as environmental site assessments.

d. No Third-Party Beneficiaries

All requirements and standards for you and your work product are imposed solely and exclusively for the benefit of MountainSeed and Financial Institution and their respective successors and assigns, and no other person shall be deemed a third-party beneficiary of this Engagement Letter. You are solely responsible for ensuring that you and your work product comply with all such requirements and standards. Specifically, you are not entitled to rely on any review that MountainSeed may perform to evaluate your work products compliance with any such requirements and standards. You should not assume that MountainSeed will refuse to accept your work product in absence of strict compliance with any or all such requirements and standards.

e. No Promise of Future Assignments

You acknowledge that neither MountainSeed nor Financial Institution has made any guarantee of future assignments. Neither Financial Institution nor MountainSeed makes any promise or guarantee as to any minimum number of assignments or minimum level of revenue.

f. Indemnity

You agree to indemnify MountainSeed for any and all loss, damage, liability, claim or expense incurred by an Indemnified Party arising out of or related to (i) any death, bodily injury or damage to property resulting from your acts or omissions, (ii) your negligence, gross negligence or willful misconduct in performing this assignment; or (iii) any breach of your representations, warranties and covenants contained in this Engagement Letter. Notwithstanding the foregoing, nothing in subpart (iii) above will be deemed to require you to defend, indemnify or hold harmless MountainSeed or any MountainSeed-related Indemnified Party with respect to any liability, damage, loss, claim or expense that arises out of the services performed by MountainSeed, its agents, employees, or independent contractors, and not the services you performed. Furthermore, this indemnification provision in this paragraph shall not apply to appraisals performed in Vermont; for other states, in the event that the indemnification provision in this paragraph is broader than permitted by any applicable law or regulation, this section shall be limited to the extent of the indemnification permitted by such law or regulation in that state.

g. Termination

Notwithstanding anything contained herein to the contrary, either Financial Institution or MountainSeed may, at its option and for any reason, terminate this agreement without responsibility for payment of the appraiser's fees or costs, except for any actual staff time and out-of-pocket costs only, not to exceed the fee amount stated above, incurred by the appraiser in connection with the appraiser's performance of this agreement as of the date of termination.

h. Amendment

This Engagement Letter may only be amended in writing, signed by the parties hereto.

i. Confidentiality

You will take all reasonable steps to ensure that neither you nor any organization with which you are affiliated (including any employees, agents, appraisers, or officers of any such organization) will divulge any Confidential Information concerning your Appraisal to any person other than Financial Institution or MountainSeed. For purposes of this engagement letter, the term **Confidential Information** shall mean all non-public data or information that is submitted directly or indirectly to you by MountainSeed or Financial Institution or obtained or learned by you as a result of the engagement described in this Letter, including without limitation, information related to Financial Institutions or MountainSeeds customers, technology, operations facilities, consumer markets, products, capabilities, systems procedures, security practices, research, development, business affairs, ideas, concepts, innovations, inventions, designs, business methodologies, improvements, trade secrets, copyrightable subject matter and other proprietary information. All Confidential Information shall remain the property of Financial Institution or MountainSeed, as applicable, and shall be protected as described below.

Except may be required by applicable law or lawful order or requirement of a court or other governmental authority having jurisdiction over you, you shall take reasonable means to hold all Confidential Information in confidence, and you shall not use (except for purposes set forth herein and authorized by Financial Institution or MountainSeed), disclose, duplicate, publish, release, transfer or otherwise make available Confidential Information in any form to, or for the use and benefit of, any person or entity without the express written consent of MountainSeed. You represent and warrant to Financial Institution and MountainSeed that you have established commercially reasonable controls to ensure the confidentiality of Confidential Information and to insure that Confidential Information is not disclosed in violation of the provisions of this Engagement Letter or the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. § 6801, et seq.), as it may be amended, supplemented or replaced from time to time (the **GLB Act**) and the regulations promulgated thereunder. If the GLB Act, the regulations promulgated thereunder or other applicable law now or hereafter in effect imposes a higher standard of confidentiality, such standard shall prevail over the standard set forth in this Engagement Letter.

You also agree that you will at any time during your engagement, at MountainSeeds or Financial Institutions request, and in any event, at the termination of this engagement, regardless of the reason, surrender to MountainSeed and/or Financial Institution (as is appropriate) all Confidential Information and any copies or abstracts thereof, to the extent surrendering the information is not prohibited under USPAP or other applicable federal, state and local laws, ordinances, rules, regulations and guidelines that may require you to maintain certain records.

You have caused this Engagement Letter to be executed as of the date set forth below.

Colliers International Valuation & Advisory Services (COMPANY)

By:  _____

Name: Joe Esparaza, MAI

Title: Valuation Specialist

Austin 5 Years Projections																
P & L STATEMENT																
						Yearly Net Income 1st Construction Period										
	INCOME		Price per Unit	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year
1	5 X 10	72	\$ 108.00	\$ 7,776.00	\$ 7,801.66	\$ 7,827.41	\$ 7,853.24	\$ 7,879.15	\$ 7,905.15	\$ 7,931.24	\$ 7,957.41	\$ 7,983.67	\$ 8,010.02	\$ 8,036.45	\$ 8,062.97	\$ 95,024.38
3	10 X 10	176	\$ 173.80	\$ 30,588.80	\$ 30,689.74	\$ 30,791.02	\$ 30,892.63	\$ 30,994.58	\$ 31,096.86	\$ 31,199.48	\$ 31,302.44	\$ 31,405.73	\$ 31,509.37	\$ 31,613.35	\$ 31,717.68	\$ 373,801.67
4	10 X 15	80	\$ 227.25	\$ 18,180.00	\$ 18,239.99	\$ 18,300.19	\$ 18,360.58	\$ 18,421.17	\$ 18,481.96	\$ 18,542.95	\$ 18,604.14	\$ 18,665.53	\$ 18,727.13	\$ 18,788.93	\$ 18,850.93	\$ 222,163.48
5	10 X 20	36	\$ 274.00	\$ 9,864.00	\$ 9,896.55	\$ 9,929.21	\$ 9,961.98	\$ 9,994.85	\$ 10,027.83	\$ 10,060.93	\$ 10,094.13	\$ 10,127.44	\$ 10,160.86	\$ 10,194.39	\$ 10,228.03	\$ 120,540.19
6	10 X 20 Double Doors	14	\$ 419.00	\$ 5,866.00	\$ 5,885.36	\$ 5,904.78	\$ 5,924.27	\$ 5,943.82	\$ 5,963.43	\$ 5,983.11	\$ 6,002.85	\$ 6,022.66	\$ 6,042.54	\$ 6,062.48	\$ 6,082.48	\$ 71,683.77
7	10 X 25	9	\$ 299.75	\$ 2,697.75	\$ 2,706.65	\$ 2,715.58	\$ 2,724.55	\$ 2,733.54	\$ 2,742.56	\$ 2,751.61	\$ 2,760.69	\$ 2,769.80	\$ 2,778.94	\$ 2,788.11	\$ 2,797.31	\$ 32,967.08
8	10 X 30	9	\$ 320.25	\$ 2,882.25	\$ 2,891.76	\$ 2,901.30	\$ 2,910.88	\$ 2,920.48	\$ 2,930.12	\$ 2,939.79	\$ 2,949.49	\$ 2,959.23	\$ 2,968.99	\$ 2,978.79	\$ 2,988.62	\$ 35,221.71
	Security Locks Sales			\$ 1,000.00	\$ 1,003.30	\$ 1,006.61	\$ 1,009.93	\$ 1,013.27	\$ 1,016.61	\$ 1,019.96	\$ 1,023.33	\$ 1,026.71	\$ 1,030.10	\$ 1,033.49	\$ 1,036.90	\$ 12,220.21
	Moving Boxes			\$ 1,500.00	\$ 1,504.95	\$ 1,509.92	\$ 1,514.90	\$ 1,519.90	\$ 1,524.91	\$ 1,529.95	\$ 1,534.99	\$ 1,540.06	\$ 1,545.14	\$ 1,550.24	\$ 1,555.36	\$ 18,330.32
	Moving Material			\$ 2,000.00	\$ 2,006.60	\$ 2,013.22	\$ 2,019.87	\$ 2,026.53	\$ 2,033.22	\$ 2,039.93	\$ 2,046.66	\$ 2,053.41	\$ 2,060.19	\$ 2,066.99	\$ 2,073.81	\$ 24,440.43
	Potential Income			\$ 82,354.80	\$ 82,626.57	\$ 82,899.24	\$ 83,172.81	\$ 83,447.28	\$ 83,722.65	\$ 83,998.94	\$ 84,276.13	\$ 84,554.24	\$ 84,833.27	\$ 85,113.22	\$ 85,394.10	\$ 1,006,393.25
	Vacancy			100%	100%	100%	100%	100%	100%	100%	100%	90%	88.0%	84%	80%	
	Total Incom			\$ (82,354.80)	\$ (82,626.57)	\$ (82,899.24)	\$ (83,172.81)	\$ (83,447.28)	\$ (83,722.65)	\$ (83,998.94)	\$ (84,276.13)	\$ (76,098.82)	\$ (74,653.28)	\$ (71,495.11)	\$ (68,315.28)	\$ (957,060.90)
	Construction Mortgage Payment			0	\$ (2,000.00)	\$ (2,500.00)	\$ (3,500.00)	\$ (4,500.00)	\$ (5,000.00)	\$ (5,500.00)	\$ (6,750.00)	\$ (7,500.00)	\$ (8,000.00)	\$ (9,000.00)	\$ (10,500.00)	\$ (64,750.00)
	Total Gross Income			0	\$ (2,000.00)	\$ (2,500.00)	\$ (3,500.00)	\$ (4,500.00)	\$ (5,000.00)	\$ (5,500.00)	\$ (6,750.00)	\$ 955.42	\$ 2,179.99	\$ 4,618.12	\$ 6,578.82	\$ (15,417.65)
	EXPENSES															
1	Property Management Fee 5%	5%									\$ (337.50)	\$ 47.77	\$ 109.00	\$ 230.91	\$ 328.94	\$ 379.12
2	Property Tax										\$ 2,560.00	\$ 2,585.60	\$ 2,611.46	\$ 2,637.57	\$ 2,663.95	\$ 13,058.57
3	Water Irrigation										\$ 210.00	\$ 212.10	\$ 214.22	\$ 216.36	\$ 218.53	\$ 1,071.21
4	Landscape										\$ 120.00	\$ 121.20	\$ 122.41	\$ 123.64	\$ 124.87	\$ 612.12
5	Property Clean Up										\$ 250.00	\$ 252.50	\$ 255.03	\$ 257.58	\$ 260.15	\$ 1,275.25
6	Parking Lights - SSJID										\$ 1,200.00	\$ 1,212.00	\$ 1,224.12	\$ 1,236.36	\$ 1,248.72	\$ 6,121.21
7	Maintenance Fee										\$ 1,000.00	\$ 1,010.00	\$ 1,020.10	\$ 1,030.30	\$ 1,040.60	\$ 5,101.01
8	Permanent Mortgage Payment														\$ -	\$ -
10	Accounting										\$ 350.00	\$ 353.50	\$ 357.04	\$ 360.61	\$ 364.21	\$ 1,785.35
11	Advertising										\$ 250.00	\$ 252.50	\$ 255.03	\$ 257.58	\$ 260.15	\$ 1,275.25
12	Licenses										\$ 20.00	\$ 20.20	\$ 20.40	\$ 20.61	\$ 20.81	\$ 102.02
14	Training/Seminars										\$ 200.00	\$ 202.00	\$ 204.02	\$ 206.06	\$ 208.12	\$ 1,020.20
15	Payroll										\$ 2,000.00	\$ 2,020.00	\$ 2,040.20	\$ 2,060.60	\$ 2,081.21	\$ 10,202.01
16	Payroll Taxes										\$ 180.00	\$ 181.80	\$ 183.62	\$ 185.45	\$ 187.31	\$ 918.18
17	Outside services										\$ 100.00	\$ 101.00	\$ 102.01	\$ 103.03	\$ 104.06	\$ 510.10
18	Supplies										\$ 150.00	\$ 151.50	\$ 153.02	\$ 154.55	\$ 156.09	\$ 765.15
20	Petty Cash										\$ 100.00	\$ 101.00	\$ 102.01	\$ 103.03	\$ 104.06	\$ 510.10
22	Telephone										\$ 250.00	\$ 252.50	\$ 255.03	\$ 257.58	\$ 260.15	\$ 1,275.25
23	Utilities										\$ 450.00	\$ 454.50	\$ 459.05	\$ 463.64	\$ 468.27	\$ 2,295.45
24	Depreciation											\$ -	\$ -	\$ -	\$ -	\$ -
26	Liability Insurance										\$ 1,200.00	\$ 1,212.00	\$ 1,224.12	\$ 1,236.36	\$ 1,248.72	\$ 6,121.21
27	Repairs and Maintenance										\$ 300.00	\$ 303.00	\$ 306.03	\$ 309.09	\$ 312.18	\$ 1,530.30
28	Other Expenses (specify)										\$ 500.00	\$ 505.00	\$ 510.05	\$ 515.15	\$ 520.30	\$ 2,550.50
29					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Expenses			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,052.50	\$ 11,551.67	\$ 11,727.94	\$ 11,966.03	\$ 12,181.42	\$ 58,479.56
	Net Income			\$ -	\$ (2,000.00)	\$ (2,500.00)	\$ (3,500.00)	\$ (4,500.00)	\$ (5,000.00)	\$ (5,500.00)	\$ (17,802.50)	\$ (10,596.25)	\$ (9,547.95)	\$ (7,347.92)	\$ (5,602.60)	\$ (73,897.21)

Austin 5 Years Projections P & L STATEMENT																
						Yearly Net Income 2nd Construction Period										
	INCOME			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year
1	5 X 10	72	\$ 112.32	\$ 8,087.04	\$ 8,113.73	\$ 8,140.50	\$ 8,167.37	\$ 8,194.32	\$ 8,221.36	\$ 8,248.49	\$ 8,275.71	\$ 8,303.02	\$ 8,330.42	\$ 8,357.91	\$ 8,385.49	\$ 98,825.36
3	10 X 10	176	\$ 180.75	\$ 31,812.35	\$ 31,917.33	\$ 32,022.66	\$ 32,128.33	\$ 32,234.36	\$ 32,340.73	\$ 32,447.46	\$ 32,554.53	\$ 32,661.96	\$ 32,769.75	\$ 32,877.89	\$ 32,986.38	\$ 388,753.74
4	10 X 15	80	\$ 236.34	\$ 18,907.20	\$ 18,969.59	\$ 19,032.19	\$ 19,095.00	\$ 19,158.01	\$ 19,221.23	\$ 19,284.66	\$ 19,348.30	\$ 19,412.15	\$ 19,476.21	\$ 19,540.49	\$ 19,604.97	\$ 231,050.02
5	10 X 20	36	\$ 284.96	\$ 10,258.56	\$ 10,292.41	\$ 10,326.38	\$ 10,360.46	\$ 10,394.64	\$ 10,428.95	\$ 10,463.36	\$ 10,497.89	\$ 10,532.53	\$ 10,567.29	\$ 10,602.16	\$ 10,637.15	\$ 125,361.80
6	10 X 20 Double Doors	14	\$ 435.76	\$ 6,100.64	\$ 6,120.77	\$ 6,140.97	\$ 6,161.24	\$ 6,181.57	\$ 6,201.97	\$ 6,222.43	\$ 6,242.97	\$ 6,263.57	\$ 6,284.24	\$ 6,304.98	\$ 6,325.78	\$ 74,551.12
7	10 X 25	9	\$ 311.74	\$ 2,805.66	\$ 2,814.92	\$ 2,824.21	\$ 2,833.53	\$ 2,842.88	\$ 2,852.26	\$ 2,861.67	\$ 2,871.12	\$ 2,880.59	\$ 2,890.10	\$ 2,899.63	\$ 2,909.20	\$ 34,285.76
8	10 X 30	9	\$ 333.06	\$ 2,997.54	\$ 3,007.43	\$ 3,017.36	\$ 3,027.31	\$ 3,037.30	\$ 3,047.33	\$ 3,057.38	\$ 3,067.47	\$ 3,077.60	\$ 3,087.75	\$ 3,097.94	\$ 3,108.16	\$ 36,630.58
	Security Lock Sales			\$ 1,040.00	\$ 1,043.43	\$ 1,046.88	\$ 1,050.33	\$ 1,053.80	\$ 1,057.27	\$ 1,060.76	\$ 1,064.26	\$ 1,067.78	\$ 1,071.30	\$ 1,074.83	\$ 1,078.38	\$ 12,709.02
	Moving Boxes			\$ 1,560.00	\$ 1,565.15	\$ 1,570.31	\$ 1,575.50	\$ 1,580.69	\$ 1,585.91	\$ 1,591.14	\$ 1,596.39	\$ 1,601.66	\$ 1,606.95	\$ 1,612.25	\$ 1,617.57	\$ 19,063.53
	Moving Material			\$ 2,080.00	\$ 2,086.86	\$ 2,093.75	\$ 2,100.66	\$ 2,107.59	\$ 2,114.55	\$ 2,121.53	\$ 2,128.53	\$ 2,135.55	\$ 2,142.60	\$ 2,149.67	\$ 2,156.76	\$ 25,418.04
	Potential Income			\$ 85,648.99	\$ 85,931.63	\$ 86,215.21	\$ 86,499.72	\$ 86,785.17	\$ 87,071.56	\$ 87,358.89	\$ 87,647.18	\$ 87,936.41	\$ 88,226.60	\$ 88,517.75	\$ 88,809.86	\$ 1,046,648.98
	Vacancy			75.0%	70%	62%	58.0%	52%	45.0%	40.0%	30.0%	20.0%	10.0%	10.0%	7%	
	Total Income			\$ (64,236.74)	\$ (60,152.14)	\$ (53,453.43)	\$ (50,169.84)	\$ (45,128.29)	\$ (39,182.20)	\$ (34,943.56)	\$ (26,294.15)	\$ (17,587.28)	\$ (8,822.66)	\$ (8,851.78)	\$ (6,216.69)	\$ (415,038.76)
	Construction Mortgage Payment			\$ (12,500.00)	\$ (12,500.00)	\$ (12,500.00)	\$ (13,500.00)	\$ (13,500.00)	\$ (13,500.00)	Compleat	Compleat	Compleat	Compleat	Compleat	Compleat	\$ (78,000.00)
	Total Gross Income			\$ 8,912.25	\$ 13,279.49	\$ 20,261.78	\$ 22,829.88	\$ 28,156.88	\$ 34,389.36	\$ 52,415.34	\$ 61,353.03	\$ 70,349.13	\$ 79,403.94	\$ 79,665.98	\$ 82,593.17	\$ 553,610.22
																\$ -
	EXPENSES															\$ -
1	Property Management Fee 5%	5%		\$ 445.61	\$ 663.97	\$ 1,013.09	\$ 1,141.49	\$ 1,407.84	\$ 1,719.47	\$ 2,620.77	\$ 3,067.65	\$ 3,517.46	\$ 3,970.20	\$ 3,983.30	\$ 4,129.66	\$ 27,680.51
2	Property Tax			\$ 2,100.00	\$ 2,106.93	\$ 2,113.88	\$ 2,120.86	\$ 2,127.86	\$ 2,134.88	\$ 2,141.92	\$ 2,148.99	\$ 2,156.08	\$ 2,163.20	\$ 2,170.34	\$ 2,177.50	\$ 25,662.45
3	Water Irrigation			\$ 120.00	\$ 120.40	\$ 120.79	\$ 121.19	\$ 121.59	\$ 121.99	\$ 122.40	\$ 122.80	\$ 123.20	\$ 123.61	\$ 124.02	\$ 124.43	\$ 1,466.43
4	Landscape			\$ 50.00	\$ 50.17	\$ 50.33	\$ 50.50	\$ 50.66	\$ 50.83	\$ 51.00	\$ 51.17	\$ 51.34	\$ 51.50	\$ 51.67	\$ 51.85	\$ 611.01
5	Property Clean Up			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
6	Parking Lights- SSJID			\$ 1,200.00	\$ 1,203.96	\$ 1,207.93	\$ 1,211.92	\$ 1,215.92	\$ 1,219.93	\$ 1,223.96	\$ 1,228.00	\$ 1,232.05	\$ 1,236.11	\$ 1,240.19	\$ 1,244.29	\$ 14,664.26
7	Maintenance Fee			\$ 1,500.00	\$ 1,504.95	\$ 1,509.92	\$ 1,514.90	\$ 1,519.90	\$ 1,524.91	\$ 1,529.95	\$ 1,534.99	\$ 1,540.06	\$ 1,545.14	\$ 1,550.24	\$ 1,555.36	\$ 18,330.32
8	Permanent Mortgage Payment				\$ -					\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 80,076.00
10	Accounting			\$ 350.00	\$ 351.16	\$ 352.31	\$ 353.48	\$ 354.64	\$ 355.81	\$ 356.99	\$ 358.17	\$ 359.35	\$ 360.53	\$ 361.72	\$ 362.92	\$ 4,277.07
11	Advertising			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
12	Licenses			\$ 60.00	\$ 60.20	\$ 60.40	\$ 60.60	\$ 60.80	\$ 61.00	\$ 61.20	\$ 61.40	\$ 61.60	\$ 61.81	\$ 62.01	\$ 62.21	\$ 733.21
14	Training/Seminars			\$ 200.00	\$ 200.66	\$ 201.32	\$ 201.99	\$ 202.65	\$ 203.32	\$ 203.99	\$ 204.67	\$ 205.34	\$ 206.02	\$ 206.70	\$ 207.38	\$ 2,444.04
15	Payroll			\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 2,400.00	\$ 28,800.00
16	Payroll Taxes			\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 216.00	\$ 2,592.00
17	Outside Services Misc			\$ 1,000.00	\$ 1,003.30	\$ 1,006.61	\$ 1,009.93	\$ 1,013.27	\$ 1,016.61	\$ 1,019.96	\$ 1,023.33	\$ 1,026.71	\$ 1,030.10	\$ 1,033.49	\$ 1,036.90	\$ 12,220.21
18	Supplies			\$ 150.00	\$ 150.50	\$ 150.99	\$ 151.49	\$ 151.99	\$ 152.49	\$ 152.99	\$ 153.50	\$ 154.01	\$ 154.51	\$ 155.02	\$ 155.54	\$ 1,833.03
20	Petty Cash			\$ 100.00	\$ 100.33	\$ 100.66	\$ 100.99	\$ 101.33	\$ 101.66	\$ 102.00	\$ 102.33	\$ 102.67	\$ 103.01	\$ 103.35	\$ 103.69	\$ 1,222.02
22	Telephone			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
23	Utilities			\$ 650.00	\$ 652.15	\$ 654.30	\$ 656.46	\$ 658.62	\$ 660.80	\$ 662.98	\$ 665.16	\$ 667.36	\$ 669.56	\$ 671.77	\$ 673.99	\$ 7,943.14
24	Depreciation				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26	Liability Insurance			\$ 750.00	\$ 752.48	\$ 754.96	\$ 757.45	\$ 759.95	\$ 762.46	\$ 764.97	\$ 767.50	\$ 770.03	\$ 772.57	\$ 775.12	\$ 777.68	\$ 9,165.16
27	Repairs and Maintenance			\$ 300.00	\$ 300.99	\$ 301.98	\$ 302.98	\$ 303.98	\$ 304.98	\$ 305.99	\$ 307.00	\$ 308.01	\$ 309.03	\$ 310.05	\$ 311.07	\$ 3,666.06
28	Other expenses (specify)			\$ 500.00	\$ 501.65	\$ 503.31	\$ 504.97	\$ 506.63	\$ 508.30	\$ 509.98	\$ 511.66	\$ 513.35	\$ 515.05	\$ 516.75	\$ 518.45	\$ 6,110.11
29					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Expenses			\$ 12,396.00	\$ 12,428.27	\$ 12,460.65	\$ 12,493.14	\$ 12,525.74	\$ 12,558.44	\$ 25,937.25	\$ 25,970.17	\$ 26,003.19	\$ 26,036.33	\$ 26,069.58	\$ 26,102.93	\$ 230,981.69
	Net Income			\$ (3,483.75)	\$ 851.22	\$ 7,801.12	\$ 10,336.74	\$ 15,631.14	\$ 21,830.92	\$ 26,478.09	\$ 35,382.86	\$ 44,345.94	\$ 53,367.61	\$ 53,596.40	\$ 56,490.24	\$ 322,628.53

Austin 5 Years Projections P & L STATEMENT																	
						Yearly Net Income 1st full year open Period											
	INCOME			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year	
1	5 X 10	72	\$ 116.81	\$ 8,410.52	\$ 8,438.28	\$ 8,466.12	\$ 8,494.06	\$ 8,522.09	\$ 8,550.21	\$ 8,578.43	\$ 8,606.74	\$ 8,635.14	\$ 8,663.64	\$ 8,692.23	\$ 8,720.91	\$ 102,778.37	
3	10 X 10	176	\$ 187.98	\$ 33,084.85	\$ 33,194.03	\$ 33,303.57	\$ 33,413.47	\$ 33,523.73	\$ 33,634.36	\$ 33,745.35	\$ 33,856.71	\$ 33,968.44	\$ 34,080.54	\$ 34,193.00	\$ 34,305.84	\$ 404,303.89	
4	10 X 15	80	\$ 245.79	\$ 19,663.49	\$ 19,728.38	\$ 19,793.48	\$ 19,858.80	\$ 19,924.33	\$ 19,990.08	\$ 20,056.05	\$ 20,122.24	\$ 20,188.64	\$ 20,255.26	\$ 20,322.10	\$ 20,389.17	\$ 240,292.03	
5	10 X 20	36	\$ 296.36	\$ 10,668.90	\$ 10,704.11	\$ 10,739.43	\$ 10,774.87	\$ 10,810.43	\$ 10,846.10	\$ 10,881.90	\$ 10,917.81	\$ 10,953.84	\$ 10,989.98	\$ 11,026.25	\$ 11,062.64	\$ 130,376.27	
6	10 X 20 Double Doors	14	\$ 453.19	\$ 6,344.67	\$ 6,365.60	\$ 6,386.61	\$ 6,407.69	\$ 6,428.83	\$ 6,450.05	\$ 6,471.33	\$ 6,492.69	\$ 6,514.11	\$ 6,535.61	\$ 6,557.18	\$ 6,578.81	\$ 77,533.17	
7	10 X 25	9	\$ 324.21	\$ 2,917.89	\$ 2,927.52	\$ 2,937.18	\$ 2,946.87	\$ 2,956.59	\$ 2,966.35	\$ 2,976.14	\$ 2,985.96	\$ 2,995.81	\$ 3,005.70	\$ 3,015.62	\$ 3,025.57	\$ 35,657.20	
8	10 X 30	9	\$ 346.38	\$ 3,117.44	\$ 3,127.73	\$ 3,138.05	\$ 3,148.41	\$ 3,158.80	\$ 3,169.22	\$ 3,179.68	\$ 3,190.17	\$ 3,200.70	\$ 3,211.26	\$ 3,221.86	\$ 3,232.49	\$ 38,095.80	
	Security Lock Sales			\$ 1,115.67	\$ 1,119.35	\$ 1,123.05	\$ 1,126.75	\$ 1,130.47	\$ 1,134.20	\$ 1,137.94	\$ 1,141.70	\$ 1,145.47	\$ 1,149.25	\$ 1,153.04	\$ 1,156.84	\$ 13,633.73	
	Moving Boxes			\$ 1,673.50	\$ 1,679.02	\$ 1,684.56	\$ 1,690.12	\$ 1,695.70	\$ 1,701.30	\$ 1,706.91	\$ 1,712.54	\$ 1,718.19	\$ 1,723.86	\$ 1,729.55	\$ 1,735.26	\$ 20,450.53	
	Moving Material			\$ 2,231.34	\$ 2,238.70	\$ 2,246.09	\$ 2,253.50	\$ 2,260.94	\$ 2,268.40	\$ 2,275.89	\$ 2,283.40	\$ 2,290.93	\$ 2,298.49	\$ 2,306.08	\$ 2,313.69	\$ 27,267.45	
	Potential income			\$ 89,228.26	\$ 89,522.71	\$ 89,818.14	\$ 90,114.54	\$ 90,411.92	\$ 90,710.28	\$ 91,009.62	\$ 91,309.95	\$ 91,611.28	\$ 91,913.59	\$ 92,216.91	\$ 92,521.22	\$ 1,090,388.42	
	Vacancy			7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%		
	Total Income			\$ (6,245.98)	\$ (6,266.59)	\$ (6,287.27)	\$ (6,308.02)	\$ (6,328.83)	\$ (6,349.72)	\$ (6,370.67)	\$ (6,391.70)	\$ (6,412.79)	\$ (6,433.95)	\$ (6,455.18)	\$ (6,476.49)	\$ (76,327.19)	
	Total Gross Income			\$ 82,982.28	\$ 83,256.12	\$ 83,530.87	\$ 83,806.52	\$ 84,083.08	\$ 84,360.56	\$ 84,638.95	\$ 84,918.26	\$ 85,198.49	\$ 85,479.64	\$ 85,761.72	\$ 86,044.74	\$ 1,014,061.23	
	EXPENSES																
1	Property Management Fee 5%	5%		\$ 4,149.11	\$ 4,162.81	\$ 4,176.54	\$ 4,190.33	\$ 4,204.15	\$ 4,218.03	\$ 4,231.95	\$ 4,245.91	\$ 4,259.92	\$ 4,273.98	\$ 4,288.09	\$ 4,302.24	\$ 50,703.06	
2	Property Tax			\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 29,040.00	
3	Water Irrigation			\$ 120.00	\$ 120.40	\$ 120.79	\$ 121.19	\$ 121.59	\$ 121.99	\$ 122.40	\$ 122.80	\$ 123.20	\$ 123.61	\$ 124.02	\$ 124.43	\$ 1,466.43	
4	Landscape			\$ 50.00	\$ 50.17	\$ 50.33	\$ 50.50	\$ 50.66	\$ 50.83	\$ 51.00	\$ 51.17	\$ 51.34	\$ 51.50	\$ 51.67	\$ 51.85	\$ 611.01	
5	Property Clean Up			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05	
6	Parking Lights - SSJID			\$ 1,200.00	\$ 1,203.96	\$ 1,207.93	\$ 1,211.92	\$ 1,215.92	\$ 1,219.93	\$ 1,223.96	\$ 1,228.00	\$ 1,232.05	\$ 1,236.11	\$ 1,240.19	\$ 1,244.29	\$ 14,664.26	
7	Maintenance Fee			\$ 1,500.00	\$ 1,504.95	\$ 1,509.92	\$ 1,514.90	\$ 1,519.90	\$ 1,524.91	\$ 1,529.95	\$ 1,534.99	\$ 1,540.06	\$ 1,545.14	\$ 1,550.24	\$ 1,555.36	\$ 18,330.32	
8	Permanent Mortgage Payment			\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 160,152.00	
9	Accounting			\$ 350.00	\$ 351.16	\$ 352.31	\$ 353.48	\$ 354.64	\$ 355.81	\$ 356.99	\$ 358.17	\$ 359.35	\$ 360.53	\$ 361.72	\$ 362.92	\$ 4,277.07	
10	Advertising			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05	
11	Licenses			\$ 60.00	\$ 60.20	\$ 60.40	\$ 60.60	\$ 60.80	\$ 61.00	\$ 61.20	\$ 61.40	\$ 61.60	\$ 61.81	\$ 62.01	\$ 62.21	\$ 733.21	
12	Training/Seminars			\$ 200.00	\$ 200.66	\$ 201.32	\$ 201.99	\$ 202.65	\$ 203.32	\$ 203.99	\$ 204.67	\$ 205.34	\$ 206.02	\$ 206.70	\$ 207.38	\$ 2,444.04	
13	Payroll			\$ 2,400.00	\$ 2,424.00	\$ 2,448.24	\$ 2,472.72	\$ 2,497.45	\$ 2,522.42	\$ 2,547.65	\$ 2,573.12	\$ 2,598.86	\$ 2,624.84	\$ 2,651.09	\$ 2,677.60	\$ 30,438.01	
14	Payroll Taxes			\$ 216.00	\$ 218.16	\$ 220.34	\$ 222.55	\$ 224.77	\$ 227.02	\$ 229.29	\$ 231.58	\$ 233.90	\$ 236.24	\$ 238.60	\$ 240.98	\$ 2,739.42	
15	Outside Services Misc			\$ 1,000.00	\$ 1,003.30	\$ 1,006.61	\$ 1,009.93	\$ 1,013.27	\$ 1,016.61	\$ 1,019.96	\$ 1,023.33	\$ 1,026.71	\$ 1,030.10	\$ 1,033.49	\$ 1,036.90	\$ 12,220.21	
16	Supplies			\$ 150.00	\$ 150.50	\$ 150.99	\$ 151.49	\$ 151.99	\$ 152.49	\$ 152.99	\$ 153.50	\$ 154.01	\$ 154.51	\$ 155.02	\$ 155.54	\$ 1,833.03	
17	Petty Cash			\$ 100.00	\$ 100.33	\$ 100.66	\$ 100.99	\$ 101.33	\$ 101.66	\$ 102.00	\$ 102.33	\$ 102.67	\$ 103.01	\$ 103.35	\$ 103.69	\$ 1,222.02	
18	Telephone			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05	
19	Utilities			\$ 650.00	\$ 652.15	\$ 654.30	\$ 656.46	\$ 658.62	\$ 660.80	\$ 662.98	\$ 665.16	\$ 667.36	\$ 669.56	\$ 671.77	\$ 673.99	\$ 7,943.14	
20	Depreciation				\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21	Liability Insurance			\$ 750.00	\$ 752.48	\$ 754.96	\$ 757.45	\$ 759.95	\$ 762.46	\$ 764.97	\$ 767.50	\$ 770.03	\$ 772.57	\$ 775.12	\$ 777.68	\$ 9,165.16	
22	Repairs and Maintenance			\$ 300.00	\$ 300.99	\$ 301.98	\$ 302.98	\$ 303.98	\$ 304.98	\$ 305.99	\$ 307.00	\$ 308.01	\$ 309.03	\$ 310.05	\$ 311.07	\$ 3,666.06	
23	Other expenses (specify)			\$ 500.00	\$ 501.65	\$ 503.31	\$ 504.97	\$ 506.63	\$ 508.30	\$ 509.98	\$ 511.66	\$ 513.35	\$ 515.05	\$ 516.75	\$ 518.45	\$ 6,110.11	
24					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	Total Expenses			\$ 26,062.00	\$ 26,113.50	\$ 26,165.35	\$ 26,217.55	\$ 26,270.10	\$ 26,323.00	\$ 26,376.26	\$ 26,429.88	\$ 26,483.86	\$ 26,538.21	\$ 26,592.93	\$ 26,648.02	\$ 316,220.67	
	Net Income			\$ 56,920.28	\$ 57,142.62	\$ 57,365.52	\$ 57,588.97	\$ 57,812.98	\$ 58,037.56	\$ 58,262.69	\$ 58,488.38	\$ 58,714.62	\$ 58,941.43	\$ 59,168.80	\$ 59,396.72	\$ 697,840.57	

Austin 5 Years Projections P & L STATEMENT																
						Yearly Net Income 2nd full year open Period										
	INCOME			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year
1	5 X 10	72	\$ 121.49	\$ 8,746.94	\$ 8,775.81	\$ 8,804.77	\$ 8,833.82	\$ 8,862.97	\$ 8,892.22	\$ 8,921.57	\$ 8,951.01	\$ 8,980.55	\$ 9,010.18	\$ 9,039.92	\$ 9,069.75	\$ 106,889.51
3	10 X 10	176	\$ 195.50	\$ 34,408.24	\$ 34,521.79	\$ 34,635.71	\$ 34,750.01	\$ 34,864.68	\$ 34,979.74	\$ 35,095.17	\$ 35,210.98	\$ 35,327.18	\$ 35,443.76	\$ 35,560.72	\$ 35,678.07	\$ 420,476.04
4	10 X 15	80	\$ 255.63	\$ 20,450.03	\$ 20,517.51	\$ 20,585.22	\$ 20,653.15	\$ 20,721.31	\$ 20,789.69	\$ 20,858.29	\$ 20,927.13	\$ 20,996.19	\$ 21,065.47	\$ 21,134.99	\$ 21,204.73	\$ 249,903.71
5	10 X 20	36	\$ 308.21	\$ 11,095.66	\$ 11,132.27	\$ 11,169.01	\$ 11,205.87	\$ 11,242.85	\$ 11,279.95	\$ 11,317.17	\$ 11,354.52	\$ 11,391.99	\$ 11,429.58	\$ 11,467.30	\$ 11,505.14	\$ 135,591.32
6	10 X 20 Double Doors	14	\$ 471.32	\$ 6,598.45	\$ 6,620.23	\$ 6,642.07	\$ 6,663.99	\$ 6,685.98	\$ 6,708.05	\$ 6,730.18	\$ 6,752.39	\$ 6,774.68	\$ 6,797.03	\$ 6,819.46	\$ 6,841.97	\$ 80,634.50
7	10 X 25	9	\$ 337.18	\$ 3,034.60	\$ 3,044.62	\$ 3,054.66	\$ 3,064.74	\$ 3,074.86	\$ 3,085.00	\$ 3,095.18	\$ 3,105.40	\$ 3,115.65	\$ 3,125.93	\$ 3,136.24	\$ 3,146.59	\$ 37,083.48
8	10 X 30	9	\$ 360.24	\$ 3,242.14	\$ 3,252.84	\$ 3,263.57	\$ 3,274.34	\$ 3,285.15	\$ 3,295.99	\$ 3,306.87	\$ 3,317.78	\$ 3,328.73	\$ 3,339.71	\$ 3,350.73	\$ 3,361.79	\$ 39,619.63
	Security Lock Sales			\$ 1,244.72	\$ 1,248.83	\$ 1,252.95	\$ 1,257.08	\$ 1,261.23	\$ 1,265.39	\$ 1,269.57	\$ 1,273.76	\$ 1,277.96	\$ 1,282.18	\$ 1,286.41	\$ 1,290.66	\$ 15,210.74
	Moving Boxes			\$ 1,867.07	\$ 1,873.23	\$ 1,879.41	\$ 1,885.62	\$ 1,891.84	\$ 1,898.08	\$ 1,904.34	\$ 1,910.63	\$ 1,916.93	\$ 1,923.26	\$ 1,929.61	\$ 1,935.97	\$ 22,815.99
	Moving Material			\$ 2,489.26	\$ 2,497.47	\$ 2,505.72	\$ 2,513.99	\$ 2,522.28	\$ 2,530.60	\$ 2,538.96	\$ 2,547.33	\$ 2,555.74	\$ 2,564.17	\$ 2,572.64	\$ 2,581.13	\$ 30,419.29
	Potential income			\$ 93,177.11	\$ 93,484.60	\$ 93,793.10	\$ 94,102.61	\$ 94,413.15	\$ 94,724.71	\$ 95,037.31	\$ 95,350.93	\$ 95,665.59	\$ 95,981.28	\$ 96,298.02	\$ 96,615.81	\$ 1,138,644.22
	Vacancy			7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	
	Total Income			\$ (6,522.40)	\$ (6,543.92)	\$ (6,565.52)	\$ (6,587.18)	\$ (6,608.92)	\$ (6,630.73)	\$ (6,652.61)	\$ (6,674.57)	\$ (6,696.59)	\$ (6,718.69)	\$ (6,740.86)	\$ (6,763.11)	\$ (79,705.10)
	Total Gross Income			\$ 86,654.71	\$ 86,940.67	\$ 87,227.58	\$ 87,515.43	\$ 87,804.23	\$ 88,093.98	\$ 88,384.69	\$ 88,676.36	\$ 88,969.00	\$ 89,262.59	\$ 89,557.16	\$ 89,852.70	\$ 1,058,939.12
	EXPENSES															
1	Property Management Fee 5%	5%		\$ 4,332.74	\$ 4,347.03	\$ 4,361.38	\$ 4,375.77	\$ 4,390.21	\$ 4,404.70	\$ 4,419.23	\$ 4,433.82	\$ 4,448.45	\$ 4,463.13	\$ 4,477.86	\$ 4,492.63	\$ 52,946.96
2	Property Tax			\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 29,040.00
3	Water Irrigation			\$ 125.00	\$ 125.41	\$ 125.83	\$ 126.24	\$ 126.66	\$ 127.08	\$ 127.50	\$ 127.92	\$ 128.34	\$ 128.76	\$ 129.19	\$ 129.61	\$ 1,527.53
4	Landscape			\$ 52.00	\$ 52.17	\$ 52.34	\$ 52.52	\$ 52.69	\$ 52.86	\$ 53.04	\$ 53.21	\$ 53.39	\$ 53.56	\$ 53.74	\$ 53.92	\$ 635.45
5	Property Clean Up			\$ 259.00	\$ 259.85	\$ 260.71	\$ 261.57	\$ 262.44	\$ 263.30	\$ 264.17	\$ 265.04	\$ 265.92	\$ 266.79	\$ 267.68	\$ 268.56	\$ 3,165.04
6	Parking Lights- SSJID			\$ 1,240.00	\$ 1,244.09	\$ 1,248.20	\$ 1,252.32	\$ 1,256.45	\$ 1,260.60	\$ 1,264.76	\$ 1,268.93	\$ 1,273.12	\$ 1,277.32	\$ 1,281.53	\$ 1,285.76	\$ 15,153.06
7	Maintenance Fee			\$ 1,555.00	\$ 1,560.13	\$ 1,565.28	\$ 1,570.45	\$ 1,575.63	\$ 1,580.83	\$ 1,586.04	\$ 1,591.28	\$ 1,596.53	\$ 1,601.80	\$ 1,607.08	\$ 1,612.39	\$ 19,002.43
8	Permanent Mortgage Payment			\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 160,152.00
10	Accounting			\$ 363.00	\$ 364.20	\$ 365.40	\$ 366.61	\$ 367.82	\$ 369.03	\$ 370.25	\$ 371.47	\$ 372.69	\$ 373.92	\$ 375.16	\$ 376.40	\$ 4,435.94
11	Advertising			\$ 259.51	\$ 260.36	\$ 261.22	\$ 262.08	\$ 262.95	\$ 263.82	\$ 264.69	\$ 265.56	\$ 266.44	\$ 267.32	\$ 268.20	\$ 269.08	\$ 3,171.22
12	Licenses			\$ 207.00	\$ 207.68	\$ 208.37	\$ 209.06	\$ 209.75	\$ 210.44	\$ 211.13	\$ 211.83	\$ 212.53	\$ 213.23	\$ 213.93	\$ 214.64	\$ 2,529.58
14	Training/Seminars			\$ 200.00	\$ 200.66	\$ 201.32	\$ 201.99	\$ 202.65	\$ 203.32	\$ 203.99	\$ 204.67	\$ 205.34	\$ 206.02	\$ 206.70	\$ 207.38	\$ 2,444.04
15	Payroll			\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 2,550.00	\$ 30,600.00
16	Payroll Taxes			\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 229.50	\$ 2,754.00
17	Outside Services Misc			\$ 1,037.00	\$ 1,040.42	\$ 1,043.86	\$ 1,047.30	\$ 1,050.76	\$ 1,054.22	\$ 1,057.70	\$ 1,061.19	\$ 1,064.70	\$ 1,068.21	\$ 1,071.73	\$ 1,075.27	\$ 12,672.36
18	Supplies			\$ 155.54	\$ 156.05	\$ 156.57	\$ 157.08	\$ 157.60	\$ 158.12	\$ 158.65	\$ 159.17	\$ 159.69	\$ 160.22	\$ 160.75	\$ 161.28	\$ 1,900.73
20	Petty Cash			\$ 104.00	\$ 104.34	\$ 104.69	\$ 105.03	\$ 105.38	\$ 105.73	\$ 106.08	\$ 106.43	\$ 106.78	\$ 107.13	\$ 107.48	\$ 107.84	\$ 1,270.90
22	Telephone			\$ 259.23	\$ 260.09	\$ 260.94	\$ 261.80	\$ 262.67	\$ 263.54	\$ 264.41	\$ 265.28	\$ 266.15	\$ 267.03	\$ 267.91	\$ 268.80	\$ 3,167.85
23	Utilities			\$ 674.00	\$ 676.22	\$ 678.46	\$ 680.69	\$ 682.94	\$ 685.19	\$ 687.46	\$ 689.72	\$ 692.00	\$ 694.28	\$ 696.58	\$ 698.87	\$ 8,236.42
24	Depreciation															\$ -
26	Liability Insurance			\$ 777.68	\$ 780.25	\$ 782.82	\$ 785.40	\$ 788.00	\$ 790.60	\$ 793.21	\$ 795.82	\$ 798.45	\$ 801.08	\$ 803.73	\$ 806.38	\$ 9,503.42
27	Repairs and Maintenance			\$ 317.07	\$ 318.12	\$ 319.17	\$ 320.22	\$ 321.28	\$ 322.34	\$ 323.40	\$ 324.47	\$ 325.54	\$ 326.61	\$ 327.69	\$ 328.77	\$ 3,874.66
28	Other Expenses (specify)			\$ 517.00	\$ 518.71	\$ 520.42	\$ 522.14	\$ 523.86	\$ 525.59	\$ 527.32	\$ 529.06	\$ 530.81	\$ 532.56	\$ 534.32	\$ 536.08	\$ 6,317.85
29					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	Total Expenses			\$ 26,647.53	\$ 26,674.26	\$ 26,701.09	\$ 26,728.00	\$ 26,755.00	\$ 26,782.09	\$ 26,809.28	\$ 26,836.55	\$ 26,863.91	\$ 26,891.36	\$ 26,918.90	\$ 26,946.53	\$ 321,554.49
	Net Income			\$ 60,007.19	\$ 60,266.41	\$ 60,526.49	\$ 60,787.43	\$ 61,049.23	\$ 61,311.89	\$ 61,575.42	\$ 61,839.82	\$ 62,105.09	\$ 62,371.24	\$ 62,638.26	\$ 62,906.17	\$ 737,384.63

\$ 1,070,198.19

Austin 5 Years Projections P & L STATEMENT																
						Yearly Net Income 3rd Full year open Period										
	INCOME			Month 1	Month 2	Month 3	Month 4	Month 5	Month 6	Month 7	Month 8	Month 9	Month 10	Month 11	Month 12	Year
1	5 X 10	72	\$ 203.32	\$ 14,639.14	\$ 14,687.45	\$ 14,735.92	\$ 14,784.55	\$ 14,833.34	\$ 14,882.29	\$ 14,931.40	\$ 14,980.67	\$ 15,030.11	\$ 15,079.71	\$ 15,129.47	\$ 15,179.40	\$ 178,893.44
3	10 X 10	176	\$ 265.85	\$ 46,789.66	\$ 46,944.07	\$ 47,098.98	\$ 47,254.41	\$ 47,410.35	\$ 47,566.80	\$ 47,723.78	\$ 47,881.26	\$ 48,039.27	\$ 48,197.80	\$ 48,356.85	\$ 48,516.43	\$ 571,779.68
4	10 X 15	80	\$ 320.54	\$ 25,643.30	\$ 25,727.92	\$ 25,812.82	\$ 25,898.01	\$ 25,983.47	\$ 26,069.22	\$ 26,155.24	\$ 26,241.56	\$ 26,328.15	\$ 26,415.04	\$ 26,502.21	\$ 26,589.66	\$ 313,366.60
5	10 X 20	36	\$ 490.17	\$ 17,646.15	\$ 17,704.38	\$ 17,762.80	\$ 17,821.42	\$ 17,880.23	\$ 17,939.24	\$ 17,998.44	\$ 18,057.83	\$ 18,117.42	\$ 18,177.21	\$ 18,237.19	\$ 18,297.38	\$ 215,639.68
6	10 X 20 Double Doors	14	\$ 350.67	\$ 4,909.31	\$ 4,925.51	\$ 4,941.77	\$ 4,958.07	\$ 4,974.44	\$ 4,990.85	\$ 5,007.32	\$ 5,023.85	\$ 5,040.42	\$ 5,057.06	\$ 5,073.75	\$ 5,090.49	\$ 59,992.83
7	10 X 25	9	\$ 374.65	\$ 3,371.82	\$ 3,382.95	\$ 3,394.12	\$ 3,405.32	\$ 3,416.55	\$ 3,427.83	\$ 3,439.14	\$ 3,450.49	\$ 3,461.88	\$ 3,473.30	\$ 3,484.76	\$ 3,496.26	\$ 41,204.42
8	10 X 30	9	\$ 350.67	\$ 3,155.99	\$ 3,166.40	\$ 3,176.85	\$ 3,187.33	\$ 3,197.85	\$ 3,208.40	\$ 3,218.99	\$ 3,229.61	\$ 3,240.27	\$ 3,250.97	\$ 3,261.69	\$ 3,272.46	\$ 38,566.82
	Security locks Sales			\$ 1,388.69	\$ 1,393.27	\$ 1,397.87	\$ 1,402.48	\$ 1,407.11	\$ 1,411.76	\$ 1,416.41	\$ 1,421.09	\$ 1,425.78	\$ 1,430.48	\$ 1,435.20	\$ 1,439.94	\$ 16,970.09
	Moving Boxes			\$ 2,083.00	\$ 2,089.87	\$ 2,096.77	\$ 2,103.69	\$ 2,110.63	\$ 2,117.60	\$ 2,124.59	\$ 2,131.60	\$ 2,138.63	\$ 2,145.69	\$ 2,152.77	\$ 2,159.87	\$ 25,454.71
	Moving Material			\$ 2,777.79	\$ 2,786.96	\$ 2,796.15	\$ 2,805.38	\$ 2,814.64	\$ 2,823.93	\$ 2,833.25	\$ 2,842.60	\$ 2,851.98	\$ 2,861.39	\$ 2,870.83	\$ 2,880.30	\$ 33,945.19
	Potential income			\$ 122,404.85	\$ 122,808.79	\$ 123,214.06	\$ 123,620.66	\$ 124,028.61	\$ 124,437.91	\$ 124,848.55	\$ 125,260.55	\$ 125,673.91	\$ 126,088.64	\$ 126,504.73	\$ 126,922.19	\$ 1,495,813.46
	Vacancy			7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	7%	
	Total Incom			\$ (8,568.34)	\$ (8,596.62)	\$ (8,624.98)	\$ (8,653.45)	\$ (8,682.00)	\$ (8,710.65)	\$ (8,739.40)	\$ (8,768.24)	\$ (8,797.17)	\$ (8,826.20)	\$ (8,855.33)	\$ (8,884.55)	\$ (104,706.94)
	Total Gross Income			\$ 113,836.51	\$ 114,212.17	\$ 114,589.07	\$ 114,967.22	\$ 115,346.61	\$ 115,727.25	\$ 116,109.15	\$ 116,492.31	\$ 116,876.74	\$ 117,262.43	\$ 117,649.40	\$ 118,037.64	\$ 1,391,106.52
	EXPENSES															
	Property Management Fee 5%	5%		\$ 5,691.83	\$ 5,710.61	\$ 5,729.45	\$ 5,748.36	\$ 5,767.33	\$ 5,786.36	\$ 5,805.46	\$ 5,824.62	\$ 5,843.84	\$ 5,863.12	\$ 5,882.47	\$ 5,901.88	\$ 69,555.33
2	Property Tax			\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 29,040.00
3	Water Irrigation			\$ 120.00	\$ 120.40	\$ 120.79	\$ 121.19	\$ 121.59	\$ 121.99	\$ 122.40	\$ 122.80	\$ 123.20	\$ 123.61	\$ 124.02	\$ 124.43	\$ 1,466.43
4	Landscape			\$ 50.00	\$ 50.17	\$ 50.33	\$ 50.50	\$ 50.66	\$ 50.83	\$ 51.00	\$ 51.17	\$ 51.34	\$ 51.50	\$ 51.67	\$ 51.85	\$ 611.01
5	Property Clean Up			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
6	Parking Lights- SSJID			\$ 1,200.00	\$ 1,203.96	\$ 1,207.93	\$ 1,211.92	\$ 1,215.92	\$ 1,219.93	\$ 1,223.96	\$ 1,228.00	\$ 1,232.05	\$ 1,236.11	\$ 1,240.19	\$ 1,244.29	\$ 14,664.26
7	Maintenance Fee			\$ 1,500.00	\$ 1,504.95	\$ 1,509.92	\$ 1,514.90	\$ 1,519.90	\$ 1,524.91	\$ 1,529.95	\$ 1,534.99	\$ 1,540.06	\$ 1,545.14	\$ 1,550.24	\$ 1,555.36	\$ 18,330.32
8	Permanent Mortgage Payment			\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 13,346.00	\$ 160,152.00
10	Accounting			\$ 350.00	\$ 351.16	\$ 352.31	\$ 353.48	\$ 354.64	\$ 355.81	\$ 356.99	\$ 358.17	\$ 359.35	\$ 360.53	\$ 361.72	\$ 362.92	\$ 4,277.07
11	Advertising			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
12	Licenses			\$ 60.00	\$ 60.20	\$ 60.40	\$ 60.60	\$ 60.80	\$ 61.00	\$ 61.20	\$ 61.40	\$ 61.60	\$ 61.81	\$ 62.01	\$ 62.21	\$ 733.21
14	Training/Seminars			\$ 200.00	\$ 200.66	\$ 201.32	\$ 201.99	\$ 202.65	\$ 203.32	\$ 203.99	\$ 204.67	\$ 205.34	\$ 206.02	\$ 206.70	\$ 207.38	\$ 2,444.04
15	Payroll			\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 2,600.00	\$ 31,200.00
16	Payroll Taxes			\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 234.00	\$ 2,808.00
17	Outside Services Misc			\$ 1,000.00	\$ 1,003.30	\$ 1,006.61	\$ 1,009.93	\$ 1,013.27	\$ 1,016.61	\$ 1,019.96	\$ 1,023.33	\$ 1,026.71	\$ 1,030.10	\$ 1,033.49	\$ 1,036.90	\$ 12,220.21
18	Supplies			\$ 150.00	\$ 150.50	\$ 150.99	\$ 151.49	\$ 151.99	\$ 152.49	\$ 152.99	\$ 153.50	\$ 154.01	\$ 154.51	\$ 155.02	\$ 155.54	\$ 1,833.03
20	Petty Cash			\$ 100.00	\$ 100.33	\$ 100.66	\$ 100.99	\$ 101.33	\$ 101.66	\$ 102.00	\$ 102.33	\$ 102.67	\$ 103.01	\$ 103.35	\$ 103.69	\$ 1,222.02
22	Telephone			\$ 250.00	\$ 250.83	\$ 251.65	\$ 252.48	\$ 253.32	\$ 254.15	\$ 254.99	\$ 255.83	\$ 256.68	\$ 257.52	\$ 258.37	\$ 259.23	\$ 3,055.05
23	Utilities			\$ 650.00	\$ 652.15	\$ 654.30	\$ 656.46	\$ 658.62	\$ 660.80	\$ 662.98	\$ 665.16	\$ 667.36	\$ 669.56	\$ 671.77	\$ 673.99	\$ 7,943.14
24	Depreciation															\$ -
26	Liability Insurance			\$ 750.00	\$ 752.48	\$ 754.96	\$ 757.45	\$ 759.95	\$ 762.46	\$ 764.97	\$ 767.50	\$ 770.03	\$ 772.57	\$ 775.12	\$ 777.68	\$ 9,165.16
27	Repairs and Maintenance			\$ 300.00	\$ 300.99	\$ 301.98	\$ 302.98	\$ 303.98	\$ 304.98	\$ 305.99	\$ 307.00	\$ 308.01	\$ 309.03	\$ 310.05	\$ 311.07	\$ 3,666.06
28	Other expenses (specify)			\$ 500.00	\$ 501.65	\$ 503.31	\$ 504.97	\$ 506.63	\$ 508.30	\$ 509.98	\$ 511.66	\$ 513.35	\$ 515.05	\$ 516.75	\$ 518.45	\$ 6,110.11
29																
	Total Expenses			\$ 26,280.00	\$ 26,305.34	\$ 26,330.77	\$ 26,356.28	\$ 26,381.88	\$ 26,407.56	\$ 26,433.32	\$ 26,459.17	\$ 26,485.11	\$ 26,511.13	\$ 26,537.24	\$ 26,563.43	\$ 317,051.24
	Net Income			\$ 87,556.51	\$ 87,906.83	\$ 88,258.30	\$ 88,610.94	\$ 88,964.73	\$ 89,319.69	\$ 89,675.83	\$ 90,033.14	\$ 90,391.63	\$ 90,751.30	\$ 91,112.16	\$ 91,474.21	\$ 1,074,055.28

- 1- Projected income increasing by 4% per year OR .33% per month. Revenues settle at the end of the 5th Year
- 2- Expenses to increase by 4% per year OR .33% per month. Expenses settle at the end of 3rd Year
- 3- The first 12 months of Mortgage payment to be paid through the loan per agreement with the Bank

- 4- Business to break even at the end of the 1st Year OR 12 months from the day construction is started
- 5- Business will be self sufficient after first complete year, paying it's mortgage and expenses in full.

Manteca Self Storage

BREAK DOWN OF ALL COSTS ASSOCIATED WITH THIS PROJECT:

Exclusions See details at the construction Agreement

- 1 Purchase the property Payed By Others
- 2 Engineering Plans And City Fees Payed by Others
- 3 All permits to be submitted and paid for by others. N&D will assist in any
- 4 All site work and demo by others

General requirements Start Up

\$ 87,640.00

- 1 Office Box For Office
- 2 Electric Generator
- 3 Temp. Power. Phone, Fencing, and Barricades
- 4 Rental Equipment
- 5 Storage Container
- 6 Office desk
- 7 Office desk
- 8 Site Management
- 9 Temporary Facilities Rest rooms

SITE FINISH HENSLEY'S PAVING

\$ 878,230.00

SITE FINISH HENSLEY'S PAVING

Grade & Compact 119000 sf Land
Parking Stripes/Paving
Off Site Grading / Paving
Off Site on side Curb & Gutters
Special insp. Compaction test (NATS)
Compact Test AB,Supgrade
Water Well See Contract
Water Connection Including Fire WFHV
Sewer Local / Septic Tank
Storm Drain / French Drain
Concrete Block Walls 1400LF \$150.00 / PLF
Iron Gates 2 with Controller
Install SWPP
AT& T Service

Phase 1

\$ 677,004.00

GENERAL CONTRACT

Office Building
Metal Buildings 1,2,3,4,5
General Requirements
Side Staking
PG&E. Electric / Transformer
Landscaping
Demolition & Disposal Fees

TOTAL ADDITIONAL SITE WORK COST

Phase 2

\$ 568,000.00

BREAK DOWN OF ALL COSTS ASSOCIATED WITH THIS PROJECT:

Excl

GENERAL CONTRACT

Metal Buildings 6,7,8,9,10
Concrete FLT Work Paving
Rough Plumbing
Finish Plumbing
Fire Sprinkler System
A/C Mechanical
Rough Electric
Finish Electric / Light Fixtures
Parkin Lighting
Clean-up
A- Contingency/Miss Labor
Inspections Fee

Phase 3 \$ 319,380.00

GENERAL CONTRACT

Metal Buildings 11,12,13,14,15
Security Alarm
Security Cameras
Change Order for second Floor Office

\$ 110,000.00

Contractors Overhead & Profit \$ 418,000.00

Supervision & Overhead cost 4%
Profit 10% of the total
Contingency/Miss Labor 2%
Builders Risk Insurance
Liability Insurance
Payment & Performance Bond

Total Construction Contract \$2,948,254.00

END OF THE CONSTRUCTION COST Total

Additional Cost To The owner Not Including with Construction Costs

LAND COST: \$ 330,000.00

Land Cost
Re-Zoning Cost
Escrow and all associated Fees

SOFT COST \$ 213,619.00

Site Planning and Elevations
Construction Documents
Civil Engineering
Landscape, Utilities, Others
Consulting Fee
Legal Fees

BREAK DOWN OF ALL COSTS ASSOCIATED WITH THIS PROJECT:

Excl

Insurance Including (Liability, Builders Risk, Performance Bond)
Property Tax
Permits Paid by owner estimate
Leasing Commissions
Escrow Close

<u>FINANCING COST/ CONTINGENCY</u>	\$	233,000.00
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Construction Loan
Average funds out
Construction Interest Payment (months)
Loan Points
Second Loan (Land Cost)
Hard cost Contingency
Soft Cost Contingency

Total Project Cost

General Requirements Start Up	\$	87,640.00
Site Finish	\$	878,230.00
Phase 1	\$	677,004.00
Phase 2	\$	568,000.00
Phase 3	\$	319,380.00
Contractors Overhead & Profit	\$	418,000.00
Land Cost	\$	330,000.00
Soft Cost	\$	213,619.00
Financing Cost/Contingency	\$	233,000.00

Total Project Cost		\$ 3,637,233.00
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Office Building 980 Square Feet

		Sub Cont. Cost	P/sf	10% Profit	Total	
		1,560				
	Office Building Framing 980 sf / \$10 Per sf	\$ 15,600.00	\$ 10.00	\$ 1,560.00	\$ 17,160.00	
	Office Building Framing Material	\$ 6,240.00	\$ 4.00	\$ 624.00	\$ 6,864.00	
	Trusses	\$ 6,240.00	\$ 4.00	\$ 624.00	\$ 6,864.00	
	Roof	\$ 8,580.00	5.5	\$ 858.00	\$ 9,438.00	
	Construction Stking	\$ 0.00		\$ 0.00	\$ 0.00	
	Foundation	\$ 3,120.00	\$ 2.00	\$ 312.00	\$ 3,432.00	
	Concrete FLT Work Paving	\$ 8,580.00	\$ 5.50	\$ 858.00	\$ 9,438.00	
	Interior Doors 5	\$ 1,248.00	\$ 0.80	\$ 124.80	\$ 1,372.80	
	Exterior Doors 2	\$ 1,716.00	\$ 1.10	\$ 171.60	\$ 1,887.60	
	Windows 4 Plus	\$ 1,092.00	\$ 0.70	\$ 109.20	\$ 1,201.20	
	Insulation	\$ 5,460.00	\$ 3.50	\$ 546.00	\$ 6,006.00	
	Rough Plumbing	\$ 7,800.00	\$ 5.00	\$ 780.00	\$ 8,580.00	
	Finish Plumbing	\$ 3,120.00	\$ 2.00	\$ 312.00	\$ 3,432.00	
	Fire Sprinkler System	\$ 7,800.00	\$ 5.00	\$ 780.00	\$ 8,580.00	
	A/C Mechanical	\$ 7,800.00	\$ 5.00	\$ 780.00	\$ 8,580.00	
	Rough Electric	\$ 7,800.00	\$ 5.00	\$ 780.00	\$ 8,580.00	
	Finish Electric / Light Fixtures	\$ 3,120.00	\$ 2.00	\$ 312.00	\$ 3,432.00	
	Drywall/Steel studs	\$ 7,020.00	\$ 4.50	\$ 702.00	\$ 7,722.00	
	Plastering / Stucco Including Trim's	\$ 15,600.00	\$ 10.00	\$ 1,560.00	\$ 17,160.00	
	Security Alarm	\$ 1,200.00			\$ 1,200.00	
	Security Cameras					
	Toilette/Plumbing Kitchen wools Tile Finish	\$ 12,480.00	\$ 8.00	\$ 1,248.00	\$ 13,728.00	
	Counter Top	\$ 2,808.00	1.8	\$ 280.80	\$ 3,088.80	
	Painting Interior	\$ 3,900.00	\$ 2.50	\$ 390.00	\$ 4,290.00	
	Painting Exterior	\$ 3,900.00	\$ 2.50	\$ 390.00	\$ 4,290.00	
	Floor Finish	\$ 6,240.00	\$ 4.00	\$ 624.00	\$ 6,864.00	
	Clean-up	\$ 7,800.00	\$ 5.00	\$ 780.00	\$ 8,580.00	
	A- Contingency/Miss Labor	\$ 23,400.00	\$ 15.00	\$ 2,340.00	\$ 25,740.00	
	Inspections Fee	\$ 2,340.00	\$ 1.50	\$ 234.00	\$ 2,574.00	
	Total	\$ 182,004.00	\$ 115.90	\$ 18,080.40	\$ 200,084.40	

Metal Buildings

No.			Price per square	Slap Concrete	Labor to install	Profit	Cost Pe Building	
1	Building A	3150	9	5	4	3.5%	\$ 67,725.00	\$ 56,700.00
2	Building B	4650	9	5	4	3.5%	\$ 99,975.00	\$ 83,700.00
3	Building C	3000	9	5	4	3.5%	\$ 64,500.00	\$ 54,000.00
4	Building D	4400	9	5	4	3.5%	\$ 94,600.00	\$ 79,200.00
5	Building E	4800	9	5	4	3.5%	\$ 103,200.00	\$ 86,400.00
6	Building F	4000	9	5	4	3.5%	\$ 86,000.00	\$ 72,000.00
7	Building G	4000	9	5	4	3.5%	\$ 86,000.00	\$ 72,000.00
8	Building H	4800	9	5	4	3.5%	\$ 103,200.00	\$ 86,400.00
9	Building I	4800	9	5	4	3.5%	\$ 103,200.00	\$ 86,400.00
10	Building J	4400	9	5	4	3.5%	\$ 94,600.00	\$ 79,200.00
11	Building K	3200	9	5	4	3.5%	\$ 68,800.00	\$ 57,600.00
12	Building L	2220	9	5	4	3.5%	\$ 47,730.00	\$ 39,960.00
13	Building M	2100	9	5	4	3.5%	\$ 45,150.00	\$ 37,800.00
14	Building N	500	9	5	4	3.5%	\$ 10,750.00	\$ 9,000.00
15	Building O	500	9	5	4	3.5%	\$ 10,750.00	\$ 9,000.00
16					4			
17	Total	50520	\$454,680.00	\$252,600.00	\$202,080.00	\$277,860.00	\$ 1,086,180.00	\$ 909,360.00
18								
19								
	1-5 Buildings Cost						\$ 430,000.00	\$ 360,000.00
	6-10 Buildings Cost						\$ 473,000.00	\$ 396,000.00
	11-15 Buildings						\$ 183,180.00	\$ 153,360.00

Up front Start Up Expenses

	DESCRIPTION	Quantity	Per/Unit	Total	
1	Office Box Rent	15	\$ 280.00	\$ 4,200.00	\$ 3,570.00
2	Electric Generator	1	\$ 1,250.00	\$ 1,250.00	\$ 1,062.50
3	Temp. Power. Phone, Fencing, and Barricades	18	\$ 350.00	\$ 6,300.00	\$ 5,355.00
4	Rental Equipment	18		\$ 20,000.00	\$ 17,000.00
6	Storage Container	18	\$ 240.00	\$ 4,320.00	\$ 3,672.00
7	Office desk / Furniture			\$ 150.00	\$ 127.50
8	Office Chair			\$ 100.00	\$ 85.00
9	Site Management	30	\$ 500.00	\$ 15,000.00	\$ 12,750.00
10	Temporary facilities	18	\$ 240.00	\$ 4,320.00	\$ 3,672.00
11	Contingency / Misc. labor			\$ 10,000.00	\$ 10,000.00
	Site Survey			\$ 22,000.00	
	TOTAL			\$ 87,640.00	\$ 57,294.00

Phase 1 (Site Finish

	Grade & Compact 119000 sf Land	\$ 68,000.00	\$ 65,960.00	
	6 Dry Wills & 6DI's	\$ 54,000.00	\$ 52,380.00	
	1 Trash enclosure	\$ 8,500.00	\$ 8,245.00	
	Install 1400 LF 10' High Block Wall & T.E.	\$ 242,930.00	\$ 235,642.10	
	Special insp. Compaction test (NATS)	\$ 14,000.00	\$ 13,580.00	
	Compact Test AB,Supgrade	\$ 2,400.00	\$ 2,328.00	
	Install 4" AB & 3" AC Asphalt	\$ 320,000.00	\$ 310,400.00	
	Install All H.C. Signs & Stipe	\$ 3,400.00	\$ 3,298.00	
	Install 1500 Galons Septic Tank	\$ 10,000.00	\$ 9,700.00	
	Install Water Line \$ Tie to Existing	\$ 30,000.00	\$ 29,100.00	
	Install Fire Hydrant	\$ 8,000.00	\$ 7,760.00	
	Install 2 Gates with Controller	\$ 15,000.00	\$ 14,550.00	
	Install SWPP	\$ 8,000.00	\$ 7,760.00	
	Site Staking as a needed		\$ 0.00	
	Off Site on side Curb & Gutters	\$ 34,000.00	\$ 32,980.00	
	Off Site Grading / Paving	\$ 10,000.00	\$ 9,700.00	
	Storm Drain / French Drain	\$ 20,000.00	\$ 19,400.00	
	Iron Gates 2 with Controller	\$ 25,000.00	\$ 24,250.00	
	AT&T Service	\$ 5,000.00	\$ 4,850.00	
	Total	\$ 878,230.00	\$ 851,883.10	

Office & 5 Buildings Finish

1	General Requirements		
2	Side Staking	\$ 10,000.00	\$ 8,500.00
3	Office Building	\$ 182,004.00	\$ 182,004.00
4	Metal Buildings 1,2,3,4,5	\$ 430,000.00	\$ 360,000.00
5	PG&E. Electric / Transformer	\$ 15,000.00	\$ 12,750.00
6	Landscaping	\$ 20,000.00	\$ 17,000.00
7	Demolition & Disposal Fees	\$ 20,000.00	\$ 17,000.00
	Total	\$ 677,004.00	\$ 597,254.00

Phase 2

		Basic Cost	Up Grate Cost
	Metal Buildings 6,7,8,9,10	\$ 396,000.00	\$ 396,000.00
	Concrete FLT Work Patching Paving	\$ 26,000.00	\$ 25,480.00
	Rough Plumbing	\$ 3,000.00	\$ 2,940.00
	Finish Plumbing	\$ 2,000.00	\$ 1,960.00
	Fire Sprinkler System For the Office	\$ 12,000.00	\$ 11,760.00
	A/C Mechanical Finish	\$ 2,000.00	\$ 1,960.00
	Rough Electric	\$ 8,000.00	\$ 7,840.00
	Finish Electric / Light Fixtures	\$ 4,000.00	\$ 3,920.00
	Parkin Lighting	\$ 35,000.00	\$ 34,300.00
	Clean-up	\$ 30,000.00	\$ 29,400.00
	A- Contingency/Miss Labor	\$ 40,000.00	\$ 39,200.00
	Inspections Fee	\$ 10,000.00	\$ 9,800.00
	Total	\$ 568,000.00	\$ 564,560.00

	Metal Buildings 11,12,13,14,15	\$ 183,180.00	\$ 153,360.00
	Security Alarm	\$ 1,200.00	\$ 1,020.00
	Security Cameras	\$ 25,000.00	\$ 21,250.00
			\$ 0.00
	Total	\$ 209,380.00	\$ 175,630.00

Contractors Overhead & Profit

	Supervision & Overhead cost 4%	\$ 90,000.00	\$ 76,500.00
	Profit 10% of the total	\$ 250,000.00	\$ 212,500.00
	Contingency/Miss Labor 2%	\$ 50,000.00	\$ 42,500.00
	Builders Risk Insurance	\$ 8,000.00	\$ 6,800.00
	Liability Insurance	\$ 8,000.00	\$ 6,800.00
	Payment & Performance Bond	\$ 12,000.00	\$ 10,200.00
	Total	\$ 418,000.00	\$ 355,300.00

Land Cost

	Land Purchase Price	\$ 280,000.00		
	Re-Zoning Cost	\$ 40,000.00		
	Escrow and all associated Fees	\$ 10,000.00		
	Total	\$ 330,000.00		

Financing Cost

	Construction Loan / SBA Fees 2%	\$ 40,000.00		
	Average funds out			
	Construction Interest Payment (months) For 2 Years	\$ 125,000.00		
	Loan Points (1/2-1 Point)	\$ 18,000.00		
	Second Loan (Land Cost)			
	Hard cost Contingency	\$ 50,000.00		
	Soft Cost Contingency	\$ 10,000.00		
	Total	\$ 233,000.00		

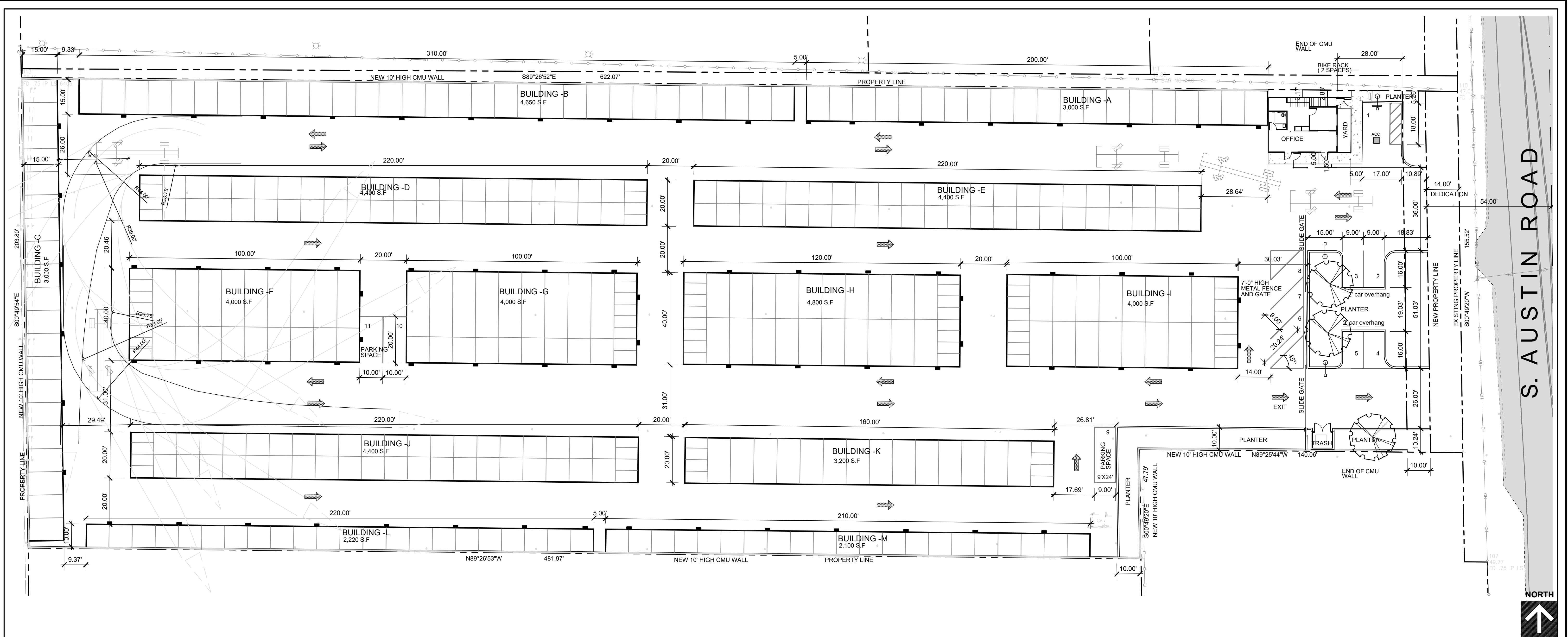
Soft Cost

	Site Planning and Elevations	\$ 25,102.00		
	Construction Documents	\$ 9,095.00		
	Civil Engineering	\$ 27,285.00		
	Landscape, Utilities, Others	\$ 25,102.00		
	Consulting Fee	\$ 27,285.00		
	Legal Fees	\$ 10,000.00		
	Insurance Including (Liability, Builders Risk, Performance Bond)	\$ 30,000.00		
	Property Tax	\$ 10,000.00		
	Permits Paid by owner estimate	\$ 44,250.00		
	Leasing Commissions			
	Escrow Close	\$ 5,500.00		
	Total	\$ 213,619.00		

Austin Self Storage

	SBA	Equity	Project cost
Land	0.00	278831	278,831.00
Constrution	3,044,705.00	120000	3,164,705.00
Conigency	425,965.00	0	425,965.00
Monitoring /Processing Fee	10,000.00	0	10,000.00
Soft Cost	218,836.00		218,836.00
Permits	400,000.00	101169	501,169.00
Working Capital	50,000.00	0	50,000.00
Gov't Fees	0.00	0	0.00
Bank Fees	2,500.00	0	2,500.00
Estimated Closing fees	20,000.00	0	20,000.00
	4,172,006.00	500000	4,672,006.00
New budget from borrower			-4277372.32
			394,633.68

425000
-394633.68
30366.32



SITE PLAN						SCALE: 1" =20'-0"	
BUILDING	AREA	STORAGE SPACE	BUILDING	AREA	STORAGE SPACE	<div>PROPOSED USE: SECURITY STORAGE OCCUPANCY: S1 TYPE OF CONSTRUCTION: II-B AND VB ZONING: GC-GENERAL COMMERCIAL SITE AREA 120,071 S.F. S.F. BUILDING AREA FIRST FLOOR OFFICE 720 S.F. SECOND FLOOR OFFICE 720 S.F. STORAGE AREA 48,170 S.F. PARKING-PROVIDED OFFICE: 4 SPACES PER /1000 S.F. PROPOSED STANDARD OFF-STREET PARKING 10 EA. PROPOSED VAN ACCESSIBLE PARKING 1 EA. STORAGE PARKING = 7 SPACES OFFICE PARKING = 4 SPACES</div>	
BUILDING - A	3,000 S.F.	(20) 10' X 15'	BUILDING - H	4,800 S.F.	(20) 10' X 20'		
BUILDING - B	4,650 S.F.	(31) 10' X 15'			(16) 5' X 10'		
BUILDING - C	3,000 S.F.	(20) 10' X 15'	BUILDING - I	4,000 S.F.	(16) 10' X 20'		
BUILDING - D	4,400 S.F.	(40) 10' X 10'			(16) 5' X 10'		
		(8) 5' X 10'	BUILDING - J	4,400 S.F.	(40) 10' X 10'		
BUILDING - E	4,400 S.F.	(44) 10' X 10'			(8) 5' X 10'		
BUILDING - F	4,000 S.F.	(9) 10' X 25'	BUILDING - K	3,200 S.F.	(14) 10' X 20'(DOUBLE DOOR)		
		(9) 10' X 15'			(8) 5' X 10'		
		(8) 5' X 10'	BUILDING - L	2,220 S.F.	(22) 10' X 10'		
BUILDING - G	4,000 S.F.	(9) 10' X 30'	BUILDING - M	2,100 S.F.	(21) 10' X 10'		
		(9) 10' X 10'					
		(8) 5' X 10'		48,170 S.F.			
						PROJECT DATA	VICINITY MAP

Valuation Glossary



Unless specified otherwise, these definitions were extracted from the following sources or publications:

The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, Chicago, Illinois, 2015 (Dictionary).

Uniform Standards of Professional Appraisal Practice, 2020-2022 Edition (USPAP).

The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease

A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax

A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Aggregate of Retail Values (ARV)

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. Also called *sum of the retail values*. *(Dictionary)*

Arm's-length Transaction

A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

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. *(Dictionary)*

Assessed Value

The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)

In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment

A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price

The price of a property with nonmarket financing expressed as the price that would have been paid in an all-cash sale. *(Dictionary)*

Common Area

The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent

The actual rental income specified in a lease. *(15th Edition)*

Cost Approach

A set of procedures through which a value indication is derived for the fee simple interest in a property by estimating the current cost to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. Adjustments may then be made to the indicated fee simple value of the subject property to reflect the value of the property interest being appraised. *(Dictionary)*

Curable Functional Obsolescence

An element of depreciation; a curable defect caused by a flaw in the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called debt service coverage ratio (DSCR). *(Dictionary)*

Deferred Maintenance

Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation

In appraisal, a loss in property value from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the market value of the improvement on the same date. *(Dictionary)*

Direct Costs

Expenditures for the labor and materials used in the construction of improvements; also called hard costs. *(Dictionary)*

Discounted Cash Flow (DCF) Analysis

The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate

A rate of return on capital used to convert future payments or receipts into present value; usually considered to be a synonym for yield rate. *(Dictionary)*

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement

The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life

The period over which improvements to real property contribute to property value. *(Dictionary)*

Effective Age

The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date

The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)

The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)

The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent

The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain

The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the takings clause, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive

The amount an entrepreneur expects to receive for his or her contribution to a project. Entrepreneurial incentive may be distinguished from entrepreneurial profit (often called developer's profit) in that it is the expectation of future profit as opposed to the profit actually earned on a development or improvement. *(Dictionary)*

Entrepreneurial Profit

A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with

development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land

Land that is not needed to serve or support the existing improvement. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent

The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop

A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time

An opinion, based on supporting market data, of the length of time that 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. *(USPAP)*

Extraordinary Assumption

An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:

- It is required to properly develop credible opinions and conclusions;
- The appraiser has a reasonable basis for the extraordinary assumption;
- Use of the extraordinary assumption results in a credible analysis; and
- The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence

A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be temporary or permanent. *(Dictionary)*

Fair Market Value

In nontechnical usage, a term that is equivalent to the contemporary usage of market value.

As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency. *(Dictionary)*

Feasibility Analysis

A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

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. *(Dictionary)*

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence

The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility

The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)

Business trade fixtures and personal property, exclusive of inventory. *(Dictionary)*

Going-concern

An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value

An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the market value of the going concern or market value of the total assets of the business. *(Dictionary)*

Gross Building Area (GBA)

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. *(Dictionary)*

Gross Leasable Area (GLA) - Commercial

Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA) - Residential

Total area of finished, above-grade residential area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use

The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for that asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition

A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach

In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence

An element of depreciation; a defect caused by a deficiency or superadequacy in the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs

Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called soft costs. *(Dictionary)*

Insurable Replacement Cost

The cost estimate, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Interim Use

The temporary use to which a site or improved property is put until a different use becomes maximally productive. *(Dictionary)*

Investment Value

The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legally Nonconforming Use

A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; also known as a grandfathered use. *(Dictionary)*

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area

The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas. *(Dictionary)*

Market Rent

The most probable rent that a property should bring in a competitive and open market reflecting the conditions and restrictions of a specific lease agreement, including the rental adjustment and revaluation, permitted uses, use restrictions, expense obligations, term, concessions, renewal and purchase options, and tenant improvements (TIs). *(Dictionary)*

Market Study

An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)

The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)

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 interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, December 10, 2010, Federal Register, Volume 75 Number 237, Page 77472)

Marketability Analysis

The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis

The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Operating Income (NOI)

The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence

One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs

Costs incurred in the development of a project, excluding on-site costs such as grading and construction of the building and other improvements; also called common costs or off-site improvement costs. *(Dictionary)*

On-site Costs

Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent

The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)

The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio

The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)

The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)

The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)

The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment

An indication that one property is superior, inferior, or the same as another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment

A numerical (dollar or percentage) adjustment to the indicated value of the comparable property to account for the effect of a difference between two properties on value. *(Dictionary)*

Rentable Area

The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost

The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Reproduction Cost

The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion

A value opinion effective as of a specified historical date. The term retrospective does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach

The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:

The extent to which the property is identified;

The extent to which tangible property is inspected;

The type and extent of data researched; and

The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.

Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.

Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.

Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Triple Net Lease

An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called NNN, triple net lease, or fully net lease. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life

The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss

A deduction from potential gross income (PGI) made to reflect income deductions due to vacancies, tenant turnover, and non-payment of rent; also called vacancy and credit loss or vacancy and contingency loss. *(Dictionary)*

Yield Capitalization

A method used to convert future benefits into present value by 1) discounting each future benefit at an appropriate yield rate, or 2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*



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Jeffrey R. Shouse joined Colliers International Valuation & Advisory Services in January 1998. His primary focus is on the valuation of mobile home parks, self-storage facilities, and multifamily developments. Over the last several years, Jeff has appraised these property types in all 50 states. His clients include lenders, developers, owners, attorneys, insurance companies, and redevelopment groups.

Jeff was raised in Sacramento, California. After high school graduation, he attended Utah Valley State College where he received an associate degree. He then attended Brigham Young University and California State University, Sacramento, receiving a bachelor's degree.

Jeff is currently the Executive Managing Director for Northern California (Sacramento, Fresno, San Francisco, and San Jose), Nevada (Reno), and the Mountain States (Denver and Salt Lake City).

Jeff is also the National Practice Leader for the Self-Storage Group. His national team consists of 25 senior appraisers strategically aligned throughout the country. The Self-Storage team was able to complete 2800 assignments over the last three years, including several Feasibility Studies and consulting assignments.

Jeff has had several speaking assignments with the different Self-Storage Associations including the NYSSA, SSA Conference in Orlando, FL, and the CSSA in Napa, CA this year based on his knowledge and experience of the Self-Storage industry.

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Boy Scouts of America

Sacramento-Sierra Chapter of the Appraisal Institute

Western Manufactured Housing Communities Association (WMA)

National Manufactured Housing Congress (NMHC)

California Self Storage Association (CSSA)

Self-Storage Association (SSA)

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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Jeffrey R. Shouse


has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 026208

Effective Date: April 11, 2021
Date Expires: April 10, 2023


Loretta Dillon, Deputy Bureau Chief, BREA

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Real estate valuations play a pivotal role in today's business climate. An accurate and well supported opinion of property value can mean the difference between reaching a critical goal—securing a loan, closing a sale, reporting to investors, choosing the best asset—or failing to achieve it altogether.

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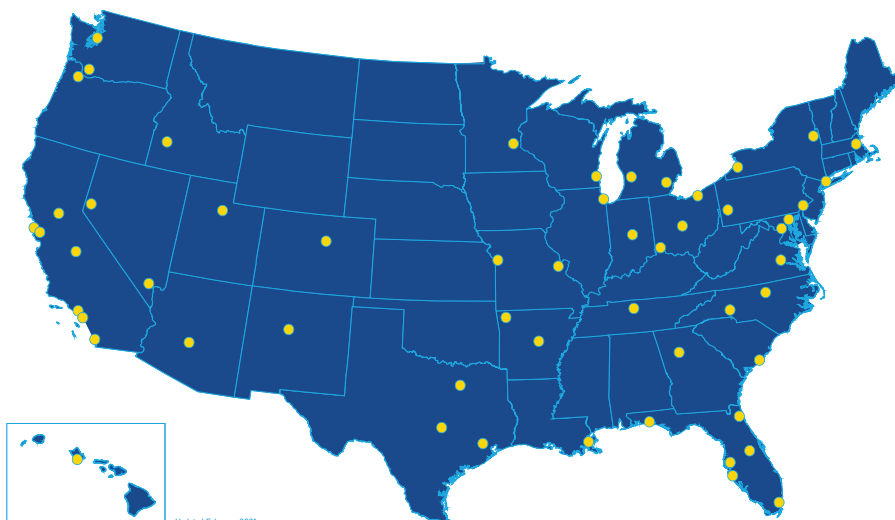
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