CRE PRO SERVICES
COMMERCIAL REAL ESTATE ADVISORY



Broker Opinion of Value

Zephyr Industrial Center

555 Zephyr Street, Stockton, CA, 95206

PREPARED FOR

Mr. Client

DATE

March 7, 2026

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Executive Summary

This Broker Opinion of Value presents our analysis and value conclusion for the Zephyr Industrial Center, located at 555 Zephyr Street, Stockton, CA. Based on our comprehensive analysis of the property, current market conditions, and comparable transactions, we have formed a market value opinion as detailed in this report.

Indicated Market Value

$57,800,000

$165/SF

Property Status: Vacant

Building Size: 350,000 SF

Land Area: 28.70 Acres

Valuation Approaches

Approach	Low	Indicated	High	Weight
Income Approach	$54,700,000	$57,500,000	$60,500,000	0%
Sales Comparison	$50,800,000	$57,800,000	$65,500,000	100%
Cost Approach (Reference Only)	—	$47,200,000	—	0%

Valuation Weighting Methodology

For purposes of this valuation, **the Sales Comparison Approach is considered the primary and most reliable valuation methodology**, receiving 100% weight. This approach provides the most reliable indication of market value by analyzing comparable sales transactions in the market. The Cost Approach (Replacement Cost New Less Depreciation) is provided as a reference point only and is not weighted in the final value conclusion.

Property Overview

Zephyr Industrial Center

555 Zephyr Street, Stockton, CA, 95206

San Joaquin County

PROPERTY TYPE

Warehouse - Class A

distribution and logistics facility

Building Summary

Total Building SF	350,000 SF
Warehouse SF	334,500 SF
Office SF	15,500 SF
Year Built	2010
Clear Height	30' - 36'
Column Spacing	52' x 50'
Bay Depth	52 ft
Truck Court Depth	185 ft

Loading

Dock High Doors	60
Grade Level Doors	4
Cross Dock	Yes
Dock Equipment	Yes
Yard Area	1,960,200 SF

Building Systems

Construction	Tilt-up concrete
Roof Type	TPO Membrane, standing seam metal
Sprinkler System	ESFR
HVAC (Office)	Yes

Site Summary

Land Area	28.70 Acres (1,250,172 SF)
FAR (Floor Area Ratio)	28.0%
Parking Spaces	210
Trailer Parking	120
Zoning	IL – Industrial Light
Fenced/Secured	Yes

Location

Market	Stockton
Submarket	Airport/South Industrial
APN	171-040-22-00

Utilities

Electrical	4000 Amp, 480/277V, 3-phase, 4-wire
Power Provider	Pacific Gas & Electric (PG&E;)
Gas Service	Southern California Gas – 4″ main
Water Provider	City of Stockton Municipal Utilities
Sewer Provider	City of Stockton Municipal Utilities
Storm Drainage	On-site detention basin; SWPPP in place

Key Features

- ESFR sprinklers
- LED high-bay lighting
- CCTV surveillance
- secured yard
- card-access security

Property Photos





Warehouse Interior – Clear-Span Column Grid & LED Lighting

Warehouse interior with clear-span column grid and LED lighting.



Dock-High Loading Doors – Truck Court Elevation

Dock-high loading doors and truck court elevation.





Exterior View – Employee Parking & Office Entry

Exterior view showing employee parking and office entry.









Aerial Views





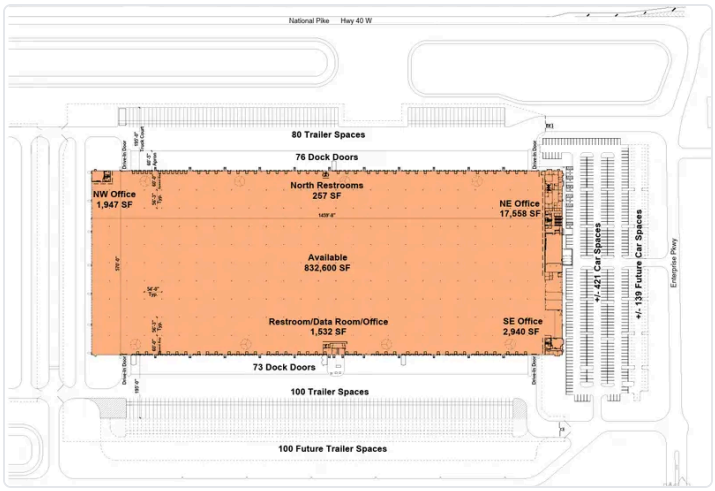






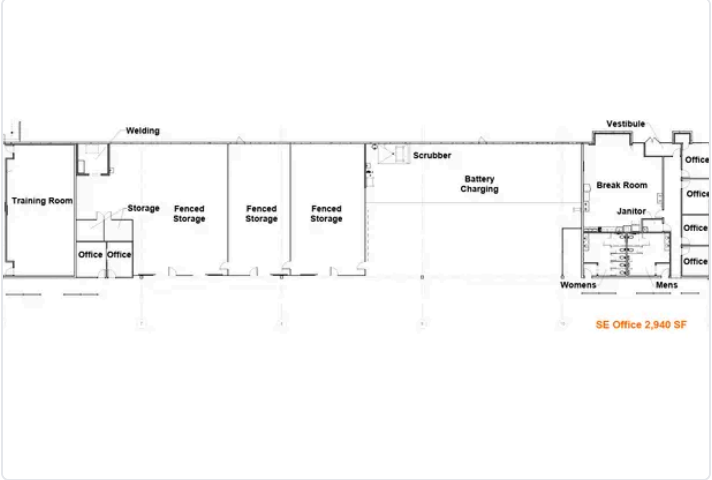


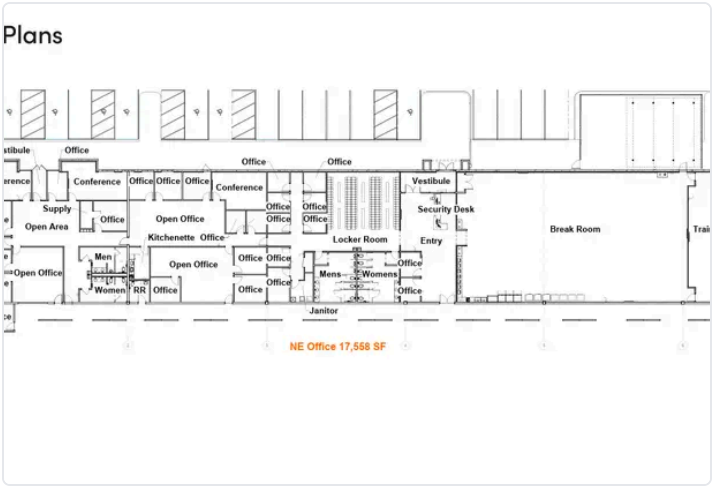
Site Plans


National Pike Hwy 40 W
80 Trailer Spaces
76 Dock Doors
NW Office
1,947 SF
North Restrooms
257 SF
NE Office
17,558 SF
Available
832,600 SF
+/- 421 Car Spaces
+/- 139 Future Car Spaces
Enterprise Pkwy
Restroom/Data Room/Office
1,532 SF
SE Office
2,940 SF
73 Dock Doors
100 Trailer Spaces
100 Future Trailer Spaces


50' WETLAND UPLAND REVIEW AREA
50' WETLAND UPLAND REVIEW AREA
PROPOSED BUILDING
±283,050 SF
LOADING BAYS: 63
TRAILER PARKING: 76
EMPLOYEE PARKING SPACES: 202
INTERSTATE 84 WESTBOUND LANES

Floor Plans


Welding
Vestibule
Scrubber
Training Room
Storage
Fenced Storage
Fenced Storage
Fenced Storage
Battery Charging
Break Room
Janitor
Office
Office
Office
Office
Office Office
Womens
Mens
SE Office 2,940 SF

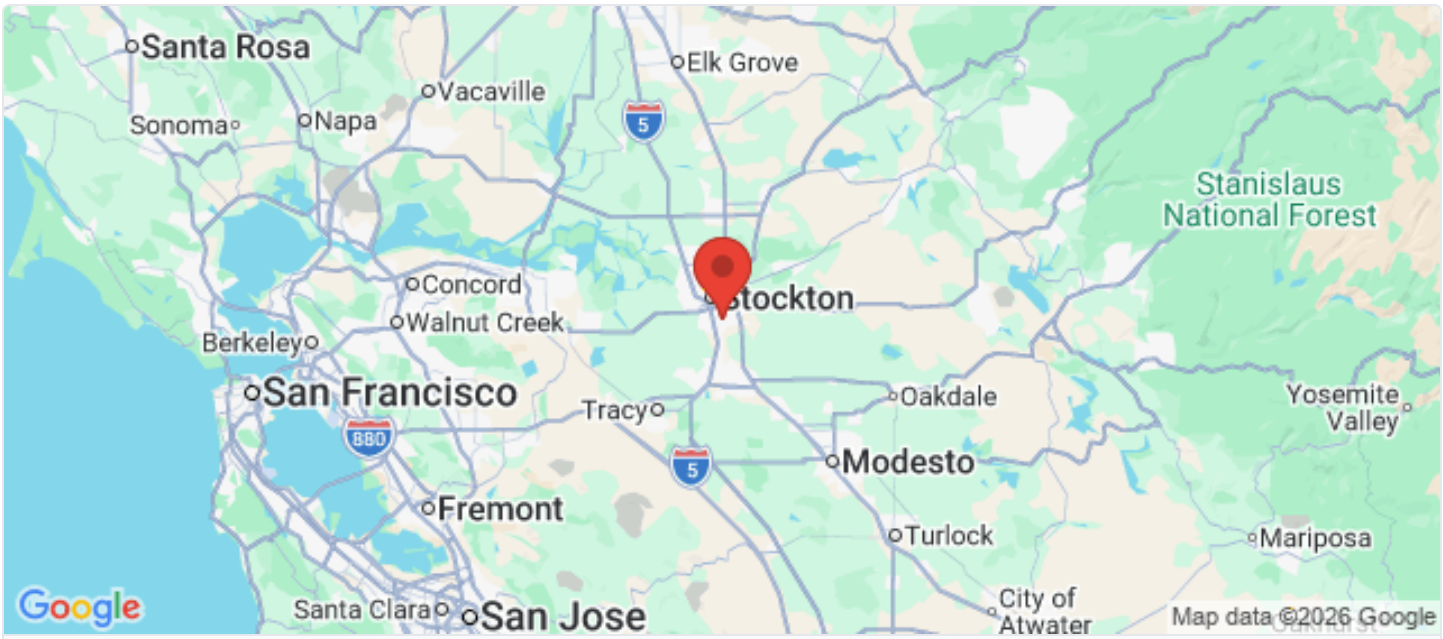

Plans
Office
Office
Office
Conference
Office Office Office
Conference
Vestibule
Supply
Open Area
Office
Open Office
Kitchenette Office
Office Office
Office Office
Security Desk
Break Room
Locker Room
Entry
Men
Women RR
Open Office
Open Office
Office Office
Office Office
Mens
Womens
Office
Office
Office
Janitor
NE Office 17,558 SF


Womens RR
Break Room
Mens RR
Janitor
NW Office 1,947 SF
Janitor
Mens
Womens
Server Room
Open Office
Pump Room
Electric Room
Janitor
Mens
Womens
North Restrooms 257 SF
Restroom/Data Room/Office 1,532 SF

Location Maps

Zephyr Industrial Center

555 Zephyr Street, Stockton, CA, 95206



Regional Location



Aerial View

Market Overview

Central Valley — Airport/South Industrial

Q4 2025

Source: CRE Pro Services

VACANCY RATE	ASKING RENT	NET ABSORPTION	MARKET CAP RATE
9.7%	$0.62	-1,176,783 SF	6.3%
↑ +90 bps	NNN/SF/Month	YTD 2025	
		↓ Negative	

Supply & Inventory

TOTAL INVENTORY	UNDER CONSTRUCTION	DELIVERIES
174.9M SF	5.8M SF	3.5M SF
		2025

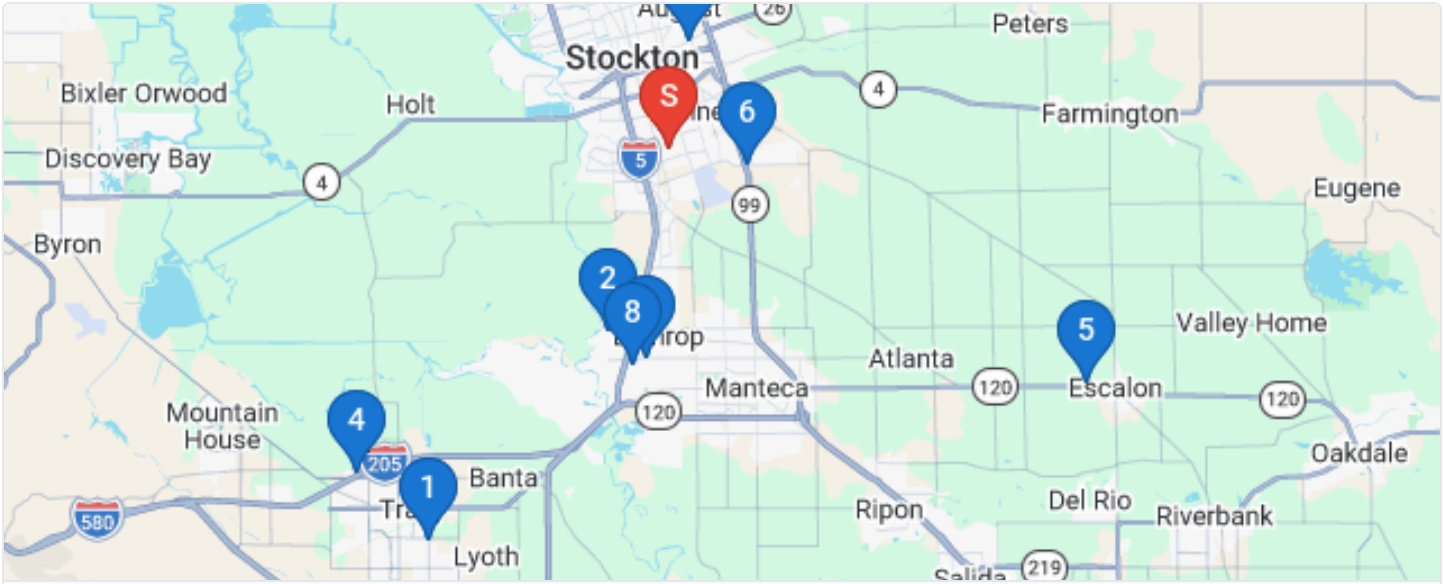
Key Findings

- Central Valley industrial market vacancy rate was 9.7% at the end of Q4 2025.
- Year-to-date net absorption for 2025 was -1,176,783 SF.
- Asking rent for industrial space was $0.62 per square foot on a monthly triple-net basis.
- Construction deliveries totaled 3.54 million SF in 2025.
- Approximately 5.8 million SF was under construction at the end of 2025, with 98% being BTS construction.
- The largest sale transaction of Q4 2025 was a portfolio sale in Lodi for $13.6 million.
- Modesto submarket availability rose from 3.62% to 9.4% YOY.

Market Outlook

In the near term, vacancy rates in the Central Valley may increase as new sublease space enters the market, particularly in the Modesto submarket which has seen a significant rise in availability. Construction starts are expected to be subdued, with the exception of build-to-suit projects that will contribute to absorption. Rent growth may slow, especially for existing inventory, although new construction could exert some upward pressure on asking rates.

Comparable Sales

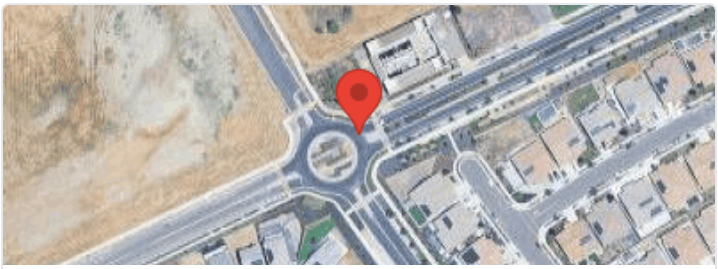


S Subject 1 -8 Comps



1 2800 S MacArthur Dr
Tracy, CA

Date: Feb 2024
Price: $49,500,000
Cap: 4.60%
Buyer: Meridian Capital Par
Size: 295,000 SF
$/SF: $168
Built: 2019
Seller: Inland West Properties



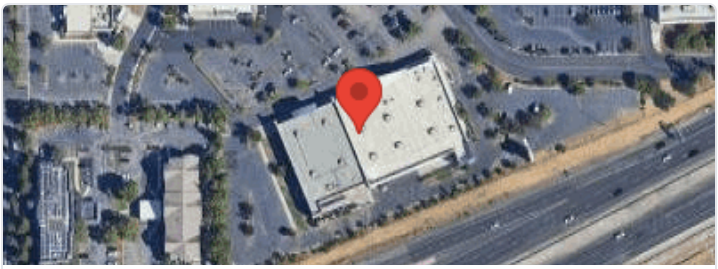
2 17400 W Lathrop Rd
Lathrop, CA

Date: Apr 2024
Price: $78,120,000
Cap: 4.40%
Buyer: Cascade Equity Group
Size: 420,000 SF
$/SF: $186
Built: 2022
Seller: Western Gateway Developers



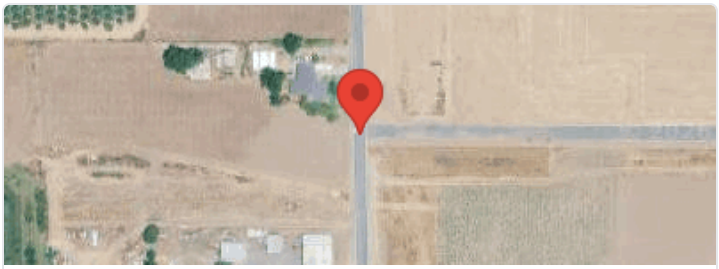
3 900 E Louise Ave
Lathrop, CA

Date: May 2024
Price: $34,400,000
Cap: 4.80%
Buyer: Inland Pacific Investors
Size: 215,000 SF
$/SF: $160
Built: 2016
Seller: Inland West Properties



4 3200 N Naglee Road
Tracy, CA

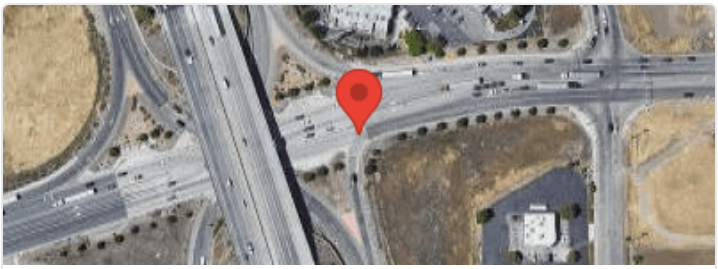
Date: Jun 2024
Price: $27,750,000
Cap: 5.10%
Buyer: Western Valley Properties
Size: 185,000 SF
$/SF: $150
Built: 2012
Seller: Private



5 700 Brennan Rd

Stockton, CA

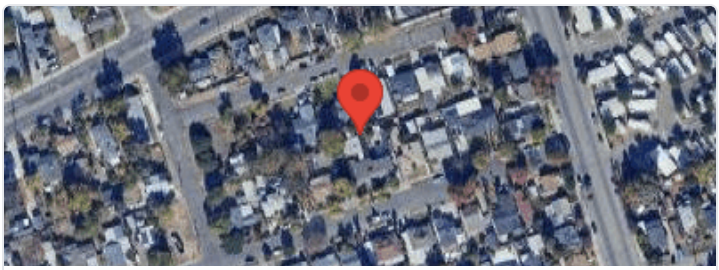
Date: Jul 2024
Price: $38,880,000
Cap: 5.30%
Buyer: Summit Industrial Partners
Size: 270,000 SF
$/SF: $144
Built: 2014
Seller: JB Capital Group



6 3550 E Arch Rd

Stockton, CA

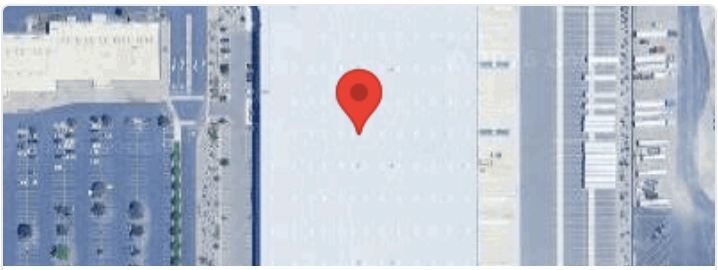
Date: Aug 2024
Price: $57,800,000
Cap: 4.50%
Buyer: Sierra Capital Advisors
Size: 340,000 SF
$/SF: $170
Built: 2020
Seller: Western Gateway REIT



7 1200 Loveridge Rd

Stockton, CA

Date: Sep 2024
Price: $21,700,000
Cap: 5.50%
Buyer: Pacific Industrial Fund
Size: 155,000 SF
$/SF: $140
Built: 2005
Seller: Private



8 16700 S Harlan Rd

Lathrop, CA

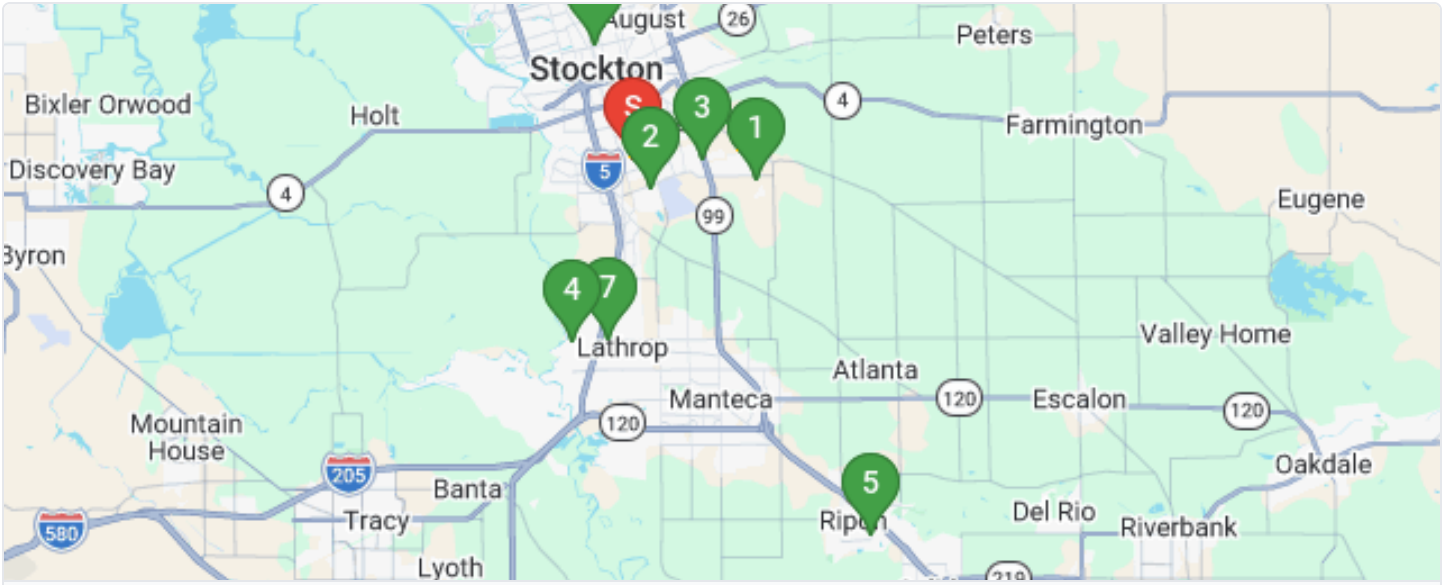
Date: Oct 2024
Price: $68,400,000
Cap: 4.30%
Buyer: Continental Asset Management
Size: 380,000 SF
$/SF: $180
Built: 2023
Seller: Summit Industrial Partners

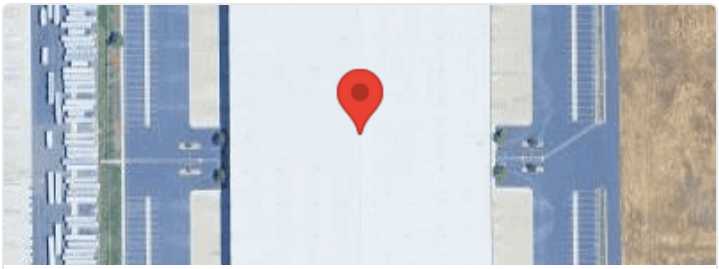
Summary

LOW	AVERAGE	HIGH
$140	$162	$186
per SF	per SF	per SF

#	ADDRESS	SIZE (SF)	SALE PRICE	$/SF	CAP RATE
1	2800 S MacArthur Dr	295,000	$49,500,000	$168	4.60%
2	17400 W Lathrop Rd	420,000	$78,120,000	$186	4.40%
3	900 E Louise Ave	215,000	$34,400,000	$160	4.80%
4	3200 N Naglee Road	185,000	$27,750,000	$150	5.10%
5	700 Brennan Rd	270,000	$38,880,000	$144	5.30%
6	3550 E Arch Rd	340,000	$57,800,000	$170	4.50%
7	1200 Loveridge Rd	155,000	$21,700,000	$140	5.50%
8	16700 S Harlan Rd	380,000	$68,400,000	$180	4.30%

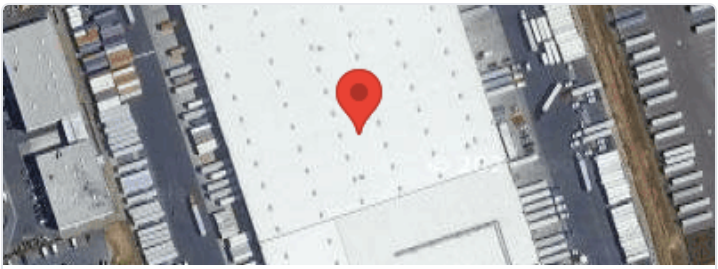
Comparable Leases





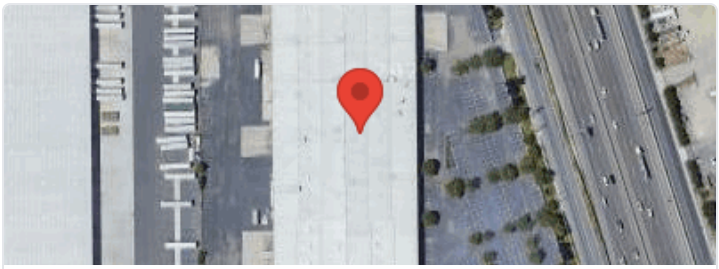
1 6868 Arch Road
Stockton, CA

Date: Apr 2026
Rent: $0.68/SF/Mo
Type: NNN
Tenant: Westfield Supply Co.
Size: 506,844 SF
Term: 120 mo
TI: $1.70/SF
Landlord: Inland West Properties



2 1015 Performance Dr
Stockton, CA

Date: Feb 2026
Rent: $0.67/SF/Mo
Type: NNN
Tenant: Valley Pacific Distributors, LLC
Size: 500,004 SF
Term: 108 mo
TI: $1.60/SF
Landlord: Western Gateway REIT



3 3021 Boeing Way
Stockton, CA

Date: Jan 2025
Rent: $0.69/SF/Mo
Type: NNN
Tenant: Sierra Building Materials, Inc.
Size: 150,000 SF
Term: 123 mo
TI: $20.00/SF
Landlord: Inland West Properties

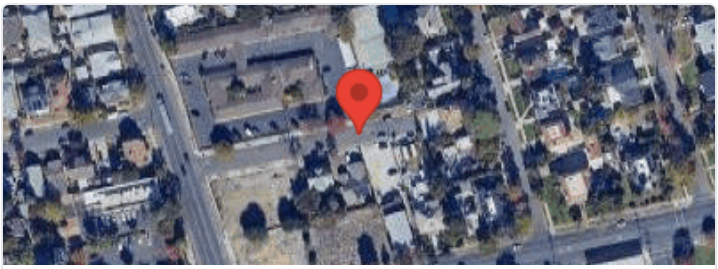


4 16850 W Lathrop Rd
Lathrop, CA

Date: Jul 2025
Rent: $0.72/SF/Mo
Type: NNN
Tenant: Continental Freight Systems
Size: 375,000 SF
Term: 84 mo
TI: $2.50/SF
Landlord: Western Gateway REIT



5 1120 S Stockton Ave
Manteca, CA
Date: Jun 2025
Rent: $0.70/SF/Mo
Type: NNN
Tenant: Atlas Distribution Group
Size: 285,000 SF
Term: 72 mo
TI: $3.00/SF
Landlord: Sierra Pacific Properties



6 3800 Sperry Ave
Stockton, CA
Date: Aug 2025
Rent: $0.66/SF/Mo
Type: NNN
Tenant: Central Valley Freight LLC
Size: 160,000 SF
Term: 36 mo
TI: $1.00/SF
Landlord: Valley Capital Industrial



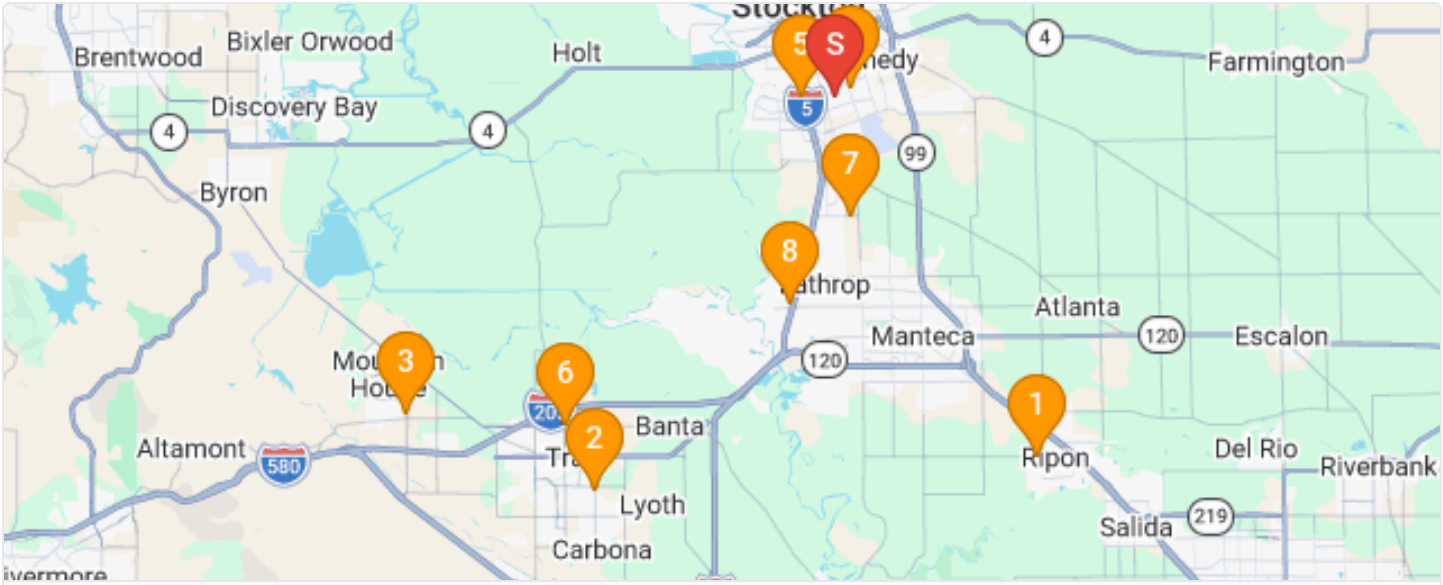
7 240 S Lathrop Rd
Lathrop, CA
Date: Oct 2025
Rent: $0.75/SF/Mo
Type: NNN
Tenant: Confidential
Size: 410,000 SF
Term: 120 mo
TI: $3.50/SF
Landlord: Western Gateway REIT

Summary

LOW	AVERAGE	HIGH
$0.66	$0.70	$0.75
per SF/Month	per SF/Month	per SF/Month

#	ADDRESS	SIZE (SF)	BASE RENT	TERM	TYPE
1	6868 Arch Road	506,844	$0.68/SF/Mo	120 mo	NNN
2	1015 Performance Dr	500,004	$0.67/SF/Mo	108 mo	NNN
3	3021 Boeing Way	150,000	$0.69/SF/Mo	123 mo	NNN
4	16850 W Lathrop Rd	375,000	$0.72/SF/Mo	84 mo	NNN
5	1120 S Stockton Ave	285,000	$0.70/SF/Mo	72 mo	NNN
6	3800 Sperry Ave	160,000	$0.66/SF/Mo	36 mo	NNN
7	240 S Lathrop Rd	410,000	$0.75/SF/Mo	120 mo	NNN

Comparable Land Sales





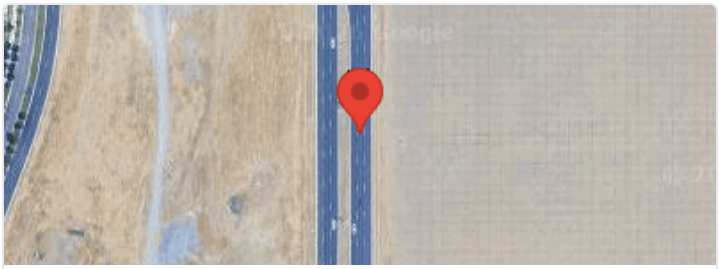
1 W Ripon Rd
Ripon, CA

Date: May 2024
Price: $4,134,000
$/SF: $6.08
Buyer: Valley Development Group
Acres: 15.60 ac
$/Acre: $265,000
Zoning: M-1
Seller: Private



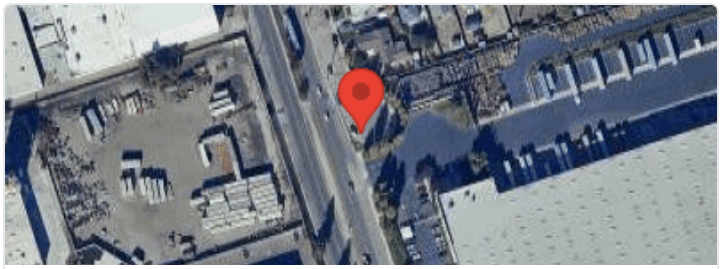
2 S MacArthur Dr (Vacant)
Tracy, CA

Date: Mar 2024
Price: $5,922,000
$/SF: $7.23
Buyer: Inland West Properties
Acres: 18.80 ac
$/Acre: $315,000
Zoning: M-2
Seller: Private



3 E Mountain House Pkwy
Tracy, CA

Date: Jan 2024
Price: $8,890,000
$/SF: $8.03
Buyer: Western Gateway REIT
Acres: 25.40 ac
$/Acre: $350,000
Zoning: M-2
Seller: Foothills Land Trust LLC

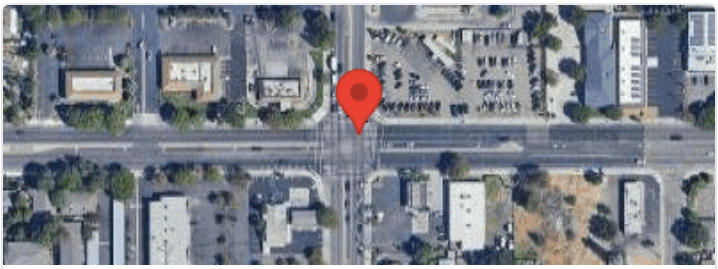


4 Airport Way
Stockton, CA

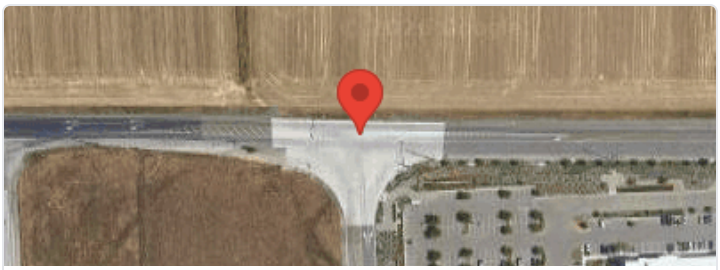
Date: Jun 2024
Price: $6,160,000
$/SF: $6.43
Buyer: Sierra Capital Advisors
Acres: 22.00 ac
$/Acre: $280,000
Zoning: IG
Seller: Valley County Land Authority



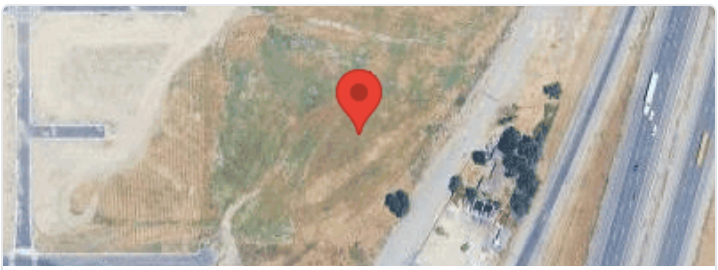
5 Manthey Rd
Stockton, CA
Date: Jul 2024
Price: $2,448,000
$/SF: $5.51
Buyer: Private Investor
Acres: 10.20 ac
$/Acre: $240,000
Zoning: M-1
Seller: Private



6 Grant Line Rd
Tracy, CA
Date: Sep 2024
Price: $14,875,000
$/SF: $8.03
Buyer: Western Gateway Developers
Acres: 42.50 ac
$/Acre: $350,000
Zoning: M-2
Seller: Private



7 E Roth Rd
Manteca, CA
Date: Oct 2024
Price: $7,733,000
$/SF: $6.19
Buyer: Sierra Pacific Properties
Acres: 28.70 ac
$/Acre: $269,443
Zoning: I-G
Seller: Private



8 Commerce Pkwy
Lathrop, CA
Date: Apr 2024
Price: $9,920,000
$/SF: $7.12
Buyer: Summit Industrial Partners
Acres: 32.00 ac
$/Acre: $310,000
Zoning: I-G
Seller: Lathrop Successor Agency

Summary

LOW	AVERAGE	HIGH
$240,000 per Acre	$297,430 per Acre	$350,000 per Acre

#	ADDRESS	ACRES	SALE PRICE	$/ACRE	$/SF	ZONING
1	W Ripon Rd	15.60	$4,134,000	$265,000	$6.08	M-1
2	S MacArthur Dr (Vacant)	18.80	$5,922,000	$315,000	$7.23	M-2
3	E Mountain House Pkwy	25.40	$8,890,000	$350,000	$8.03	M-2
4	Airport Way	22.00	$6,160,000	$280,000	$6.43	IG
5	Manthey Rd	10.20	$2,448,000	$240,000	$5.51	M-1
6	Grant Line Rd	42.50	$14,875,000	$350,000	$8.03	M-2
7	E Roth Rd	28.70	$7,733,000	$269,443	$6.19	I-G
8	Commerce Pkwy	32.00	$9,920,000	$310,000	$7.12	I-G

Valuation Analysis

Building Size: **350,000 SF** Land Area: **28.70 Acres**

Income Approach (Hypothetical Stabilized Scenario): Based on market rent assumptions assuming lease-up to stabilized occupancy.

1. Income Approach (Hypothetical Stabilized)

Capitalization of Net Operating Income

LOW	INDICATED VALUE	HIGH
$54,700,000	$57,500,000	$60,500,000
$156/SF	$164/SF	$173/SF

Market Rent: **$0.720/SF/Mo ($8.64/SF/Yr)**

Cap Rate Range: **4.75% - 5.25%**

Vacancy: **5.00%** (stabilized assumption)

Expenses: — (net lease basis)

2. Sales Comparison Approach

Based on Comparable Sales

LOW	INDICATED VALUE	HIGH
$50,800,000	$57,800,000	$65,500,000
$145/SF	$165/SF	$187/SF

Price Range: **$145** to **$187** per SF based on comparable sales analysis

3. Cost Approach (For Reference Only)

Replacement Cost New Less Depreciation

INDICATED VALUE

$47,200,000

$135/SF

Replacement Cost ($135/SF × 350,000 SF)	$47,250,000
Less: Depreciation (20.00%)	($9,450,000)
Depreciated Building Value	$37,800,000
Plus: Land Value ($7.50/SF × 1,250,172 site SF)	$9,376,290
Total Indicated Value	**$47,200,000**

Value Conclusion

The **Indicated Value** with the green checkmark represents the recommended value for each approach.

Summary of Value Indications

Valuation Approach	Low	Indicated ✓	High	Weight
Income Approach	$54,700,000	**$57,500,000**	$60,500,000	**0%**
Sales Comparison Approach	$50,800,000	**$57,800,000**	$65,500,000	**100%**
Cost Approach (Reference Only)	—	**$47,200,000**	—	0%

Valuation Weighting Methodology

For purposes of this valuation, **the Sales Comparison Approach is considered the primary and most reliable valuation methodology**, receiving 100% weight. This approach provides the most reliable indication of market value by analyzing comparable sales transactions in the market. The Income Approach reflects a hypothetical stabilized scenario assuming lease-up to market occupancy and is provided for reference only. The Cost Approach (Replacement Cost New Less Depreciation) is provided as a reference point only and is not weighted in the final value conclusion.

✓ Value Reconciliation

Based on our comprehensive analysis: The **Sales Comparison Approach is considered the primary and most reliable valuation methodology** for this asset, indicating a value of **$57,800,000**.

Pricing Recommendations

The recommended asking price/rate has been set above the indicated value to allow room for negotiation while remaining competitive in the current market. This pricing strategy is designed to attract qualified buyers/tenants while maximizing value for the property owner.

Recommended Asking Purchase Price

INDICATED VALUE

$57,800,000

$165/SF

RECOMMENDED

ASKING PURCHASE PRICE

$63,600,000

$182/SF

10.0% above Indicated Value

Recommended Asking Lease Rate

INDICATED RATE

$0.720/SF/Mo

($8.64/SF/Yr)

RECOMMENDED

ASKING LEASE RATE

$0.830/SF/Mo

($9.96/SF/Yr)

15.0% above Indicated Value

Summary

Metric	Indicated Value	Adjustment	Recommended Asking
Purchase Price	$57,800,000	10.0% above Indicated Value	$63,600,000
Lease Rate	$0.720/SF/Mo	15.0% above Indicated Value	$0.830/SF/Mo

Note: Asking prices are rounded to professional increments (nearest $100K for values over $10M, $50K for $1-10M, $10K under $1M). Lease rates are rounded to half-penny increments.

Marketing Plan

Comparison: Managed Bid vs. Standard Marketing

We are presenting two marketing approaches for your consideration. Each has distinct advantages depending on your priorities for timing, price maximization, and market exposure.

Option 1: Managed Bid Process

Start: Aug 1, 2026 | **Duration:** 84 days (12 weeks) | **End:** Oct 24, 2026

Phase	Duration	Start	End	Progress
Preparation	14 days	Aug 1	Aug 15	
Targeted Outreach	7 days	Aug 15	Aug 22	
CA & Distribution	7 days	Aug 22	Aug 29	
Due Diligence	14 days	Aug 29	Sep 12	
Call for Offers	7 days	Sep 12	Sep 19	
Best & Final	7 days	Sep 19	Sep 26	
Buyer Selection	7 days	Sep 26	Oct 3	
Contract Negotiation	7 days	Oct 3	Oct 10	
Escrow & Closing	14 days	Oct 10	Oct 24	

Best for: Achieving a quicker close with competitive bidding. The structured timeline creates urgency among buyers with formal offer deadlines, making it ideal for sellers prioritizing speed and certainty of execution over maximizing price.

Option 2: Standard Marketing Campaign

Start: Aug 1, 2026 | **Duration:** 548 days (79 weeks) | **End:** Jan 31, 2028

Phase	Duration	Start	End	Progress
Preparation	37 days	Aug 1	Sep 7	
Marketing Launch	18 days	Sep 7	Sep 25	
Active Marketing	183 days	Sep 25	Mar 27	
Lead Nurturing	146 days	Mar 27	Aug 20	
Offer Negotiation	55 days	Aug 20	Oct 14	
Contract Execution	18 days	Oct 14	Nov 1	
Due Diligence & Closing	91 days	Nov 1	Jan 31	

Best for: Maximizing sale price through broader market exposure. The extended timeline allows the listing team to identify highest and best use buyers, typically Owner-Users who will pay a premium over Developers or Investors seeking discounted pricing.



Brokerage Commission

The following commission structure outlines the fees associated with the successful sale or lease of the property. All commissions are earned upon successful closing and are payable at the time of closing.

Sale Commission

COMMISSION RATE

2%

of gross sale price

Lease Commission Schedule

Lease commissions are calculated as a percentage of the total lease value based on the lease term:

Lease Term	Commission Rate
Months 1 - 60	5%
Months 61 - 120	2.5%
Months 121 - 180	1.25%

Terms & Conditions

Commission is earned upon successful closing of the transaction and is payable at the time of closing from proceeds. This commission structure is subject to the terms of the listing agreement and any applicable brokerage agreements between the parties.

Your Team

CRE Pro Services is pleased to present this Broker Opinion of Value. Our team brings extensive experience in industrial real estate transactions and is committed to achieving the best possible outcome for your property.

Supporting Team



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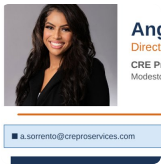

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Industrial Real Estate Services

Disclaimer & Limiting Conditions

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This BOV represents an estimate of the probable selling or leasing price of the subject property based on the broker's knowledge of the local market, available comparable data, and professional experience. It is not an opinion of "market value" as defined under USPAP and should not be construed as such.

This BOV may not be used as the primary basis to determine the value of the property for the purpose of originating a mortgage loan, including first and second mortgages, refinances, or equity lines of credit, pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act §1473(r). This BOV is not intended and should not be relied upon for accounting, tax, insurance, estate, litigation, or any other purpose requiring a formal appraisal.

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Any projection of income, expenses, or market conditions is based on estimates and assumptions that are inherently uncertain and subject to change. Actual results may differ materially from those presented herein.

BROKER NAME

_____

LICENSE NUMBER

_____

BROKERAGE FIRM

CRE Pro Services

EFFECTIVE DATE

_____

Regulatory References:

Dodd-Frank Act §1473(r), USPAP (Uniform Standards of Professional Appraisal Practice), FIRREA Title XI, NAR Code of Ethics Standard 11-1. This document is prepared under the authority of the broker's real estate license and is not subject to appraisal regulations.