Duncanville Community and Economic Development Corporation
Regular Meeting Agenda

City Council Briefing Room and City Council Chamber
203 E. Wheatland Road
Duncanville, TX 75166
(972) 780-5000

Monday, April 27, 2026 at 6:00 pm

The Duncanville City Hall is accessible to people with disabilities. If you need assistance in participating in this meeting due to a disability as defined under the ADA, please call 972-780-5017 or email city.secretary@duncanvilletx.gov at least three (3) business days prior to the scheduled meeting to request an accommodation.

As authorized by Section 551.071 of the Texas Government Code, this meeting may be convened into closed Executive Session for the purposes of seeking confidential legal advice from the City Attorney on any item on the agenda at any time during the meeting.

The City of Duncanville and the Civile Service Commission reserves the right to reconvene, recess, or align the Regular Session or called Executive Session or order of business at any time prior to adjournment. The City of Duncanville reserves the right to reconvene, recess or align the Regular Session or called Executive Session or order of business at any time prior to adjournment.

Agendas are subject to alteration and revision up to and no later than 3 business days prior to the posted meeting time.

To view the live meeting or previous meetings click on the link below.
https://duncanvilletx.new.swagit.com/views/454/

CALL TO ORDER

INVOCATION

PLEDGE OF ALLEGIANCE

1. CITIZEN'S PUBLIC FORUM

To submit a comment via email and for your comments to be read, the following information is required:

Submit a comment by 4:00 p.m. April 27, 2026
Email Eco@duncanvilletx.gov
Email title: Public Comment – 04/27/26
First and Last Name; and address.

2. APPROVAL OF DCEDC MEETING MINUTES

A. Consider approval of the minutes from the March 9, 2026 Special Called Meeting

B. Consider approval of the minutes from the March 23, 2026 Regular Meeting

3. BOARD MEMBER REPORTS

4. DIRECTOR'S REPORT

5. CONSENT AGENDA

6. PUBLIC HEARING

7. ACTION ITEMS

8. BRIEFINGS AND PRESENTATIONS - NO ACTION OR DELIVERATION WILL TAKE PLACE ON THESE ITEMS

A. BloomFest Pre Event Briefing

B. Summary of Design Incentive Grant Applications Received (FY-26 Application Period)

C. Current Fiscal Year Update and FY-2026-2027 DCEDC Budget Workshop

9. OTHER BUSINESS

A. Discuss and consider the proposed sale of the Duncanville Community and Economic Development Corporation's ownership share of Main Station LTD located at 100 S Main Street to the majority partner.

10. EXECUTIVE SESSION

In accordance with the Texas Government Code, the DCEDC shall convene into closed executive session pursuant to the following section: Section 551.087 (2) – Deliberation Regarding Economic Development Negotiations, to deliberate the offer of a financial or other incentive to a business prospect.

11. RECONVENE INTO OPEN SESSION

12. TAKE ANY NECESSARY OR APPROPRIATE ACTION AS A RESULT OF CLOSED EXECUTIVE SESSION

ADJOURNMENT

I, the undersigned authority, do hereby certify that this Notice of Meeting was posted in accordance with the regulations of the Texas Open Meetings Act on the bulletin board located outside the entrance to the City of Duncanville City Hall, next to the entryway doors, a place convenient and readily accessible to the general public, as well as to the City's website www.duncanvilletx.gov and said Notice was posted **by** the following date and time: **Tuesday, April 21, 2026, by 5:00 P.M.** and remained posted for at least two hours after said meeting was convened.

Marlon Goff
Economic Development Interim Director

Duncanville Community & Economic Development Corporation
Meeting Date: 03/09/2026
Meeting Commencement: City of Duncanville – ANNEX Building (103)

Attendance

Member Name	Present	Absent
Tammi Abney	Arrival – 6:18pm	
Derwin Broughton	Arrival – 6:18pm	
Patrick Harvey	✓	
Donella Payne	✓	
Tonya Savage	✓	
Carolyn Thompson	✓	
Gregory Zylka	✓	

Staff Name	Staff Title
Marlon Goff	Interim Director, Economic Development
Marcela Perez	Coordinator, Economic Development
Shamondra Lane	Executive Assistant, Economic Development
Richard Abernethy	Interim City Manager
Robert Hager	City Attorney

Call to Order: called to order by President Harvey at 6:02 pm.

Moment of silence for Steve Martin.

Invocation: given by President Harvey.

The Pledge of Allegiance to the U.S. and Texas Flags were led by Marlon Goff and recited by all.

CITIZEN'S PUBLIC FORUM – opened at 6:06 pm

To submit a comment via email and for your comments to be reviewed by the Board, the following information is required:

Submit a comment by 4:00 p.m. on Monday, 03/09/2026
Email: Eco@duncanvilletx.gov
Email Title: Public Comment – 03/09/2026
First and Last Name and Address

No public comment emailed. In person public comment was held until item on Agenda. (item 8A). Board allowed comments until item was presented.

APPROVAL OF MEETING MINUTES FOR THE FOLLOWING MEETINGS:

A. Receive and consider approval of the meeting minutes for the December 15th Special DCEDC Meeting.

Motion to approve the minutes from the December 15th Special DCEDC Meeting, first by Carolyn Thompson, seconded by Tonya Savage.

Action: passed 4 – 0 – 1 (Yea – Nay – Abstain – Tonya Savage)

BOARD MEMBER REPORTS

A. Greg Zylka and President Harvey shared remarks recognizing Steve Martin and Earl 'Peanut' Jones and their contributions to the City of Duncanville.
B. Board Member Zylka also encouraged the Board to attend the ICSC Conference

DIRECTORS' REPORT - Presented by Marlon Goff.

A. Provided community events and calendar updates
B. March 23rd meeting will include external partner updates

CONSENT AGENDA – No consent agenda items

PUBLIC HEARINGS – opened at 6:23 pm

Conduct a public hearing to consider an economic development incentive request from Mejia & Company Consulting for Project Fouts, a multifamily residential site located within the 300 Block of Fouts Avenue in Duncanville, TX

A. Presented by Interim Director Goff. Josh Meija, Consultant Mejia & Company and Ricky Fain, Developer available to answer questions.
   Josh Mejia – 13808 35th McAllen, TX
   Ricky Fain – 2525 CR 2013 Walnut Springs, TX 76990

PUBLIC HEARING– closed at 6:58 pm

No action taken

BRIEFINGS AND PRESENTATIONS

A. Briefing on Texas Fadez Barber School & Retail Supply Store acquisition and business expansion located at 1014 S. Main Street. – Presented by Marcela Perez
   Juan Trejo, Owner available to answer questions.
   Rocio Alcaraz – 928 South Ridge Drive, Duncanville TX
   Ruby Pineda – 446 East Magnolia Lane, Duncanville TX
   Aaron Robles – 1707 Center Circle, Cedar Hill TX

Brian Schoby – 2409 Turning Leaf Lane, Midlothian TX

Board Member Tammi Abney requested a breakdown of the financing options from the owner.

B. Provide a Quarterly Briefing on Development Pipeline Projects and Real Estate Transactions – Presented by Marlon Goff

C. Briefing and update on the status of the Signage Grant awarded to Take Out Burgers restaurant located at 795 W Wheatland Rd on September 8, 2025, in the amount of $3,800 – Presented by Marlon Goff

Board Member Tonya Savage departure for evening at 7:54 pm.

OTHER BUSINESS

A. Discuss and consider approval of the FY 2026-2027 DCEDC Budget Calendar – Presented by Marlon Goff

Board included 03/23/26 date to the Budget Calendar.

Motion to approve the FY 2026-2027 DCEDC Budget Calendar to include the 03/23/26 regular meeting date, first by Derwin Broughton, seconded by Tammi Abney.

Action: Motion passed 6 – 0 – 0 (Yea-Nay-Abstain)

EXECUTIVE SESSION: called to order by President Harvey at 8:15 pm.

A. In accordance with the Texas Government Code, the DCEDC shall convene into closed executive session pursuant to the following section: Section 551.072 to deliberate the purchase, exchange, lease of real properties, being located east of Santa Fe Trail, north of Danieldale Road, west of Cockrell Hill Road, and south of Camp Wisdom Road.

B. The DCEDC shall convene into Executive Session pursuant to Section 551.071 (Consultation with Attorney) to deliberate and receive legal advice regarding the Corporation's legal services contract, including review and discussion of scope of services, legal services consolidation plans for the City and related legal matters.

EXECUTIVE SESSION: closed to order by President Harvey at 9:45 pm

RECONVENE INTO OPEN SESSION: called to order by President Harvey at 9:46 pm.

NECESSARY OR APPROPRIATE ACTION AS A RESULT OF CLOSED EXECUTIVE SESSION:

No Action Taken

ADJOURNMENT: Meeting adjourned by President Harvey at 9:46 pm.

Duncanville Community & Economic Development Corporation
Meeting Date: 03/23/2026
Meeting Commencement: City of Duncanville – City Hall Chambers

Attendance

Member Name	Present	Absent
Tammi Abney	✓	
Derwin Broughton	✓	
Patrick Harvey	✓	
Donella Payne	✓	
Tonya Savage		✓
Carolyn Thompson	✓	
Gregory Zylka		✓

Staff Name	Staff Title
Marlon Goff	Interim Director, Economic Development
Marcela Perez	Coordinator, Economic Development
Shamondra Lane	Executive Assistant, Economic Development
Mark Rauscher	Assistant City Manager for Community

Call to Order: called to order by President Harvey at 6:09 pm.

Invocation: given by Marlon Goff.

The Pledge of Allegiance to the U.S. and Texas Flags were led by President Harvey and recited by all.

CITIZEN'S PUBLIC FORUM – opened at 6:11 pm

To submit a comment via email and for your comments to be reviewed by the Board, the following information is required:

Submit a comment by 4:00 p.m. on Monday, 03/23/2026
Email: Eco@duncanvilletx.gov
Email Title: Public Comment – 03/23/2026
First and Last Name and Address

No public comment. Closed at 6:11 pm

APPROVAL OF MEETING MINUTES FOR THE FOLLOWING MEETINGS:

A. Consider approval of the minutes from February 23, 2026, Joint Meeting of the City Council, DCEDC and TIF Board.

B. Motion to approve the minutes from February 23, 2026, Joint Meeting of the City Council, DCEDC and TIF Board, first by Derwin Broughton, seconded by Tammi Abney.

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

BOARD MEMBER REPORTS

A. President Harvey provided comment on Duncan Switch Events

DIRECTORS' REPORT - Presented by Marlon Goff.

A. Provided financials through February 28, 2026

CONSENT AGENDA – No consent agenda items

President Harvey stated that Item 9B be moved to 7A.

PUBLIC HEARINGS – opened at 6:17 pm

A. Conduct a public hearing to consider an economic development incentive request from JCTF Real Estate, LLC for the business expansion of Texas Fadez Barber Academy & Midas Touch Retail Supply. – Presented by Marcela Perez,
Monte Anderson represented the owner, Juan Trejo in his absence.
Angel Perez & Christian Rivera of Midas Touch available for questions

Public Hearing for item opened at 6:26 pm

Comments made by:
Monte Anderson 1210 Greenleaf, Duncanville TX
Raymond Rivera, 106 Tucson, Duncanville TX
Christian Rivera 653 Parkwood Circle Duncanville TX
Angel Perez 1109 South Brighton Duncanville TX

Close public hearing for item 6A at 7:17pm

Open public hearing for item 6B at 7:17pm

B. Consider approval of a sponsorship for the Dallas County Sheriff's Office & Duncanville Police Department's 17th Annual Fire Truck Pull.- Presented by Marcela Perez
Douglas Sisk available for questions.

Comments made by:
Doug Sisk 242 W Davis Street Duncanville TX

Close public hearing for item 6C at 7:25pm

Open public hearing for item 6C at 7:25pm

C. Conduct a public hearing to discuss and consider approval of a sponsorship for the Property Improvement Program (PIP). – Presented by Marcela Perez
Jorge Montequin available to answer questions.

Comments made by:
Jorge Montequin – 1904 Woodale Circle Cedar Hill, TX

Close public hearing for item 6C at 7:29pm

ACTION ITEMS – per President Harvey's request (Item 9B)

A. Consider a resolution approving a Second Amendment to the incentive agreement by the Duncanville Community and Economic Development Corporation (DCEDC) with BCVCR Holdings, LLC and Pegasus Bank for the Project located at 220 N. Main Street (Project Encina); Extending the project completion and reimbursement deadline to July 31, 2026. – Presented by Marlon Goff

Motion resolution approving and execute a Second Amendment to the incentive agreement by the Duncanville Community and Economic Development Corporation (DCEDC) with BCVCR Holdings, LLC and Pegasus Bank for the Project located at 220 N. Main Street (Project Encina); Extending the project completion and reimbursement deadline to July 31, 2026., first by Derwin Broughton, seconded by Carolyn Thompson.

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

ACTION ITEMS

A Consider approval of an economic development incentive request from JCTF Real Estate, LLC for the business expansion, 1014 South Main of Texas Fadez Barber Academy & Midas Touch Retail Supply.

Motion to table item 7A, Consider approval of an economic development incentive request from JCTF Real Estate, LLC for the business expansion, 1014 South Main of Texas Fadez Barber Academy & Midas Touch Retail Supply first by Tammi Abney seconded by Derwin Broughton.

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

Recessed called by President Harvey at 7:46pm.

Returned from recess at 8:07pm.

Action: will move Item 7A to Executive Session and continue with other action items on the agenda.

B. Consider approval of a sponsorship for the Dallas County Sheriff's Office & Duncanville Police Department's 17th Annual Fire Truck Pull.

Motion to Consider approval of a sponsorship for the Dallas County Sheriff's Office & Duncanville Police Department's 17th Annual Fire Truck Pull, first by Tammi Abney, seconded by Derwin Broughton.

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

C. Consider approval of a sponsorship for the Property Improvement Program (PIP).

Motion to Consider approval of a sponsorship for the Property Improvement Program (PIP, first by Derwin Broughton, seconded by Tammi Abney

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

BRIEFINGS AND PRESENTATIONS – NO ACTIONS OR DELIVERATION WILL TAKE PLACE ON THESE ITEMS

A. Briefing on STAR Transit FY 25-26 Annual Update – presented by Kim Britton & Tommy Hendrix
B. Briefing on Parks and Recreation FY 25-26 Annual Update – presented by Tyler Agee , Assistant Director Parks & Recreation and Bart Stevenson, Director, Parks & Recreation
C. Briefing on Police Department FY 25-26 Annual Update – presented by Chief Matt Stogner, Duncanville PD
D. Briefing on Arts & Business Networking Events – presented by Marlon Goff

OTHER BUSINESS

A. Discuss and consider approval of the Open Rewards Program for local businesses by Bludot Technologies. – presented by Marlon Goff

Motion to approve of the Open Rewards Program for local businesses by Bludot Technologies, first by Donnie Payne, seconded by Carolyn Thompson.

Action: passed 5 – 0 – 0 (Yea – Nay – Abstain)

B. Discuss and consider a plan for a DCEDC delegation to attend the International Council of Shopping Centers (ICSC) Annual Real Estate Convention on May 18–20, 2026. – presented by Marlon Goff

Action: tabled discussion until all Board Members are present.

EXECUTIVE SESSION: called to order by President Harvey at 9:21pm.
EXECUTIVE SESSION: closed to order by President Harvey at 10:25pm

RECONVENE INTO OPEN SESSION: called to order by NAME and TIME.

NECESSARY OR APPROPRIATE ACTION AS A RESULT OF CLOSED EXECUTIVE SESSION:

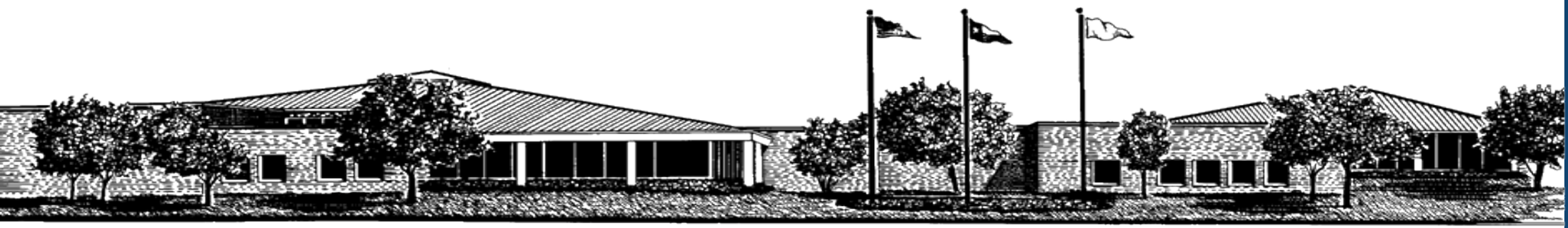
A Consider approval of an economic development incentive request from JCTF Real Estate, LLC for the business expansion, 1014 South Main of Texas Fadez Barber Academy & Midas Touch Retail Supply.

Motion to consider approval of an economic development incentive request in the amount of $200,000.00 from JCTF Real Estate, LLC for the business expansion, 1014 South Main of Texas Fadez Barber Academy & Midas Touch Retail Supply based on terms and conditions that have been stated by the Attorney on behalf of the Board first by Donella Payne seconded by Carolyn Thompson.

Action: passed 4 – 1 – 0 (Yea – Nay, Tammi Abney – Abstain)

ADJOURNMENT

Meeting adjourned by President Harvey at 10:31pm.



BLOOMFEST MUSIC & ARTS FESTIVAL

APRIL 21, 2026

DEVON HANDLEY, SPECIAL EVENTS PLANNER

BLOOMFEST OVERVIEW

- Battle of the Bands
  - Top 3 & LIVE voting
- 2 Stages
- Duncanville LIVE!
- Art from Village Tech
- Pieces of Us; Community Mosaic project
- Event merch area
- Ellafair Gallery-Arts Commission
- Requesting registration, no wristbands

City of Duncanville

Duncanville
City of Champions

CITY COUNCIL INFO

Armstrong Park

- City Council + VIP passes
- Stage set up for Duncanville LIVE!
- VIP seating area near Champion Stage
  - Sponsored by Methodist Charleton
- Dedicated City Council Parking

BLOOMFEST MUSIC & ARTS FESTIVAL DUNCANVILLE, TX

SPONSORS

KEY

- FOOD VENDORS
- FOOD COURT TENTS
- BLOOMFEST MERCH SHOP
- RESTROOMS
- MARKET
- SPLASH PAD
- MEDIC
- PHOTO OP
- STAGE
- ARTS COMMISSION
- ART BY VILLAGE TECH
- ELLEFAIR-ART
- FACE PAINTING
- PARKING
- HADICAP/VIP PARKING
- CERT TENT

City of Duncanville

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BATTLE OF THE BANDS TOP 3

CROTEX

MAROON MONDAY

DEJA VU

BLOOMFEST MUSIC & ARTS FESTIVAL DUNCANVILLE, TX

City of Duncanville

Duncanville
City of Champions

PERFORMERS

Mitotiliztli Yaoyollohtli

Huehuecoyotl Ballet Folklorico

Nicole Mariee

THE BANDITS

B Cam & The Zydeco Young Bucks

City of Duncanville

Duncanville
City of Champions

LOCAL BUSINESS ENGAGEMENT

- Vendor Market applications will be accepted through April 27
- Food Truck Vendor applications closed on April 20
- Registration code for (DVILLE) Duncanville businesses
- A total of **8** local business are registered for the vendor market; **9** BSW cities outside of Duncanville SO FAR

City of Duncanville

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LOCAL PRESS & PROMOTION

- Kiosks & TVs in City Hall
- Posters given to local businesses
- Local news & magazines
- Social Media
- New Event Show

EVENT ACTIVITIES

PHOTO OPS	VIDEO GAME TRUCK
BATTLE OF BANDS	NERF WAR GAME AREA
MOBILE FOOD VENDORS	MARKETPLACE VENDORS
2 STAGES	ART BY VILLAGE TECH
ELLAFAIR GALLERY	PIECES OF US PROJECT
ARTS COMMISSION AREA	& MORE!

City of Duncanville

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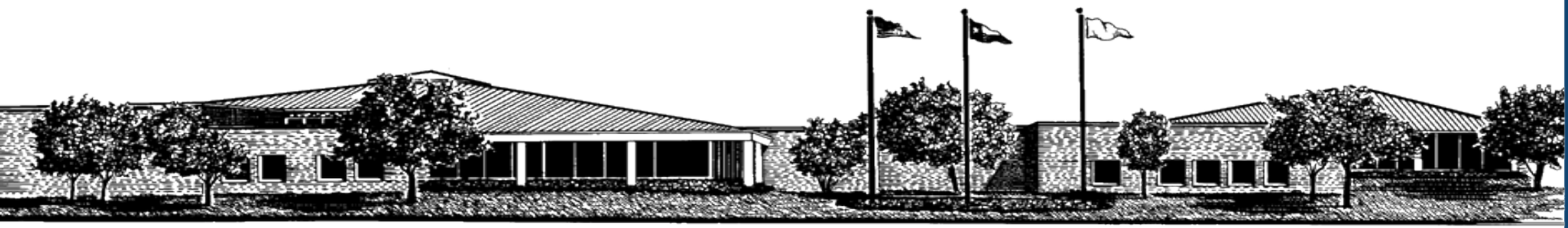
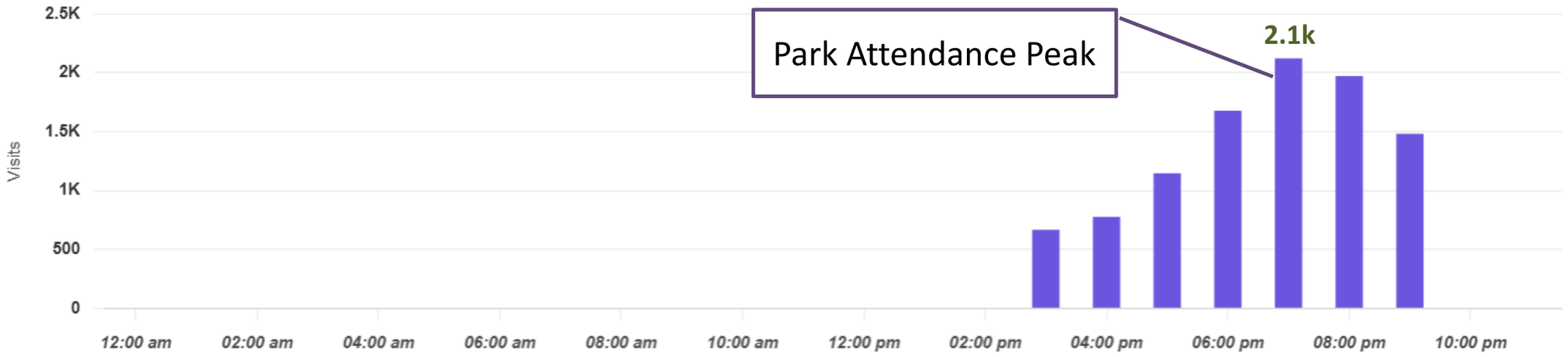


2025

Hourly Visits

TEST
James Collins Blvd, Duncanville, TX

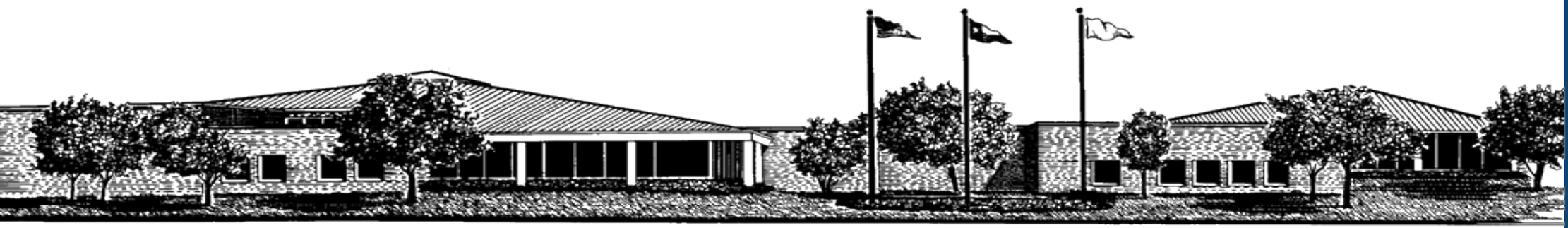
Metric:
Visits



City of Duncanville

Duncanville
City of Champions

We are building a vibrant, inclusive community, driven by a commitment to democratic principles and service above self



2026 EVENT SURVEY

BLOOMFEST MUSIC & ARTS FESTIVAL DUNCANVILLE, TX

QR code and weblink **published** on **May 9**

We are building a vibrant, inclusive community, driven by a commitment to democratic principles and service above self

City of Duncanville

Duncanville
City of Champions

THANK YOU

Any questions? Discussion.

City of Duncanville

Duncanville
City of Champions

STAFF REPORT

MEETING: Community and Economic Development Corporation - April 27, 2026

TITLE:
Summary of Design Incentive Grant Applications Received (FY-26 Application Period)

Vision Statement:
"Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance."

Pillar:

STAFF RESPONSIBLE:
Marcela Perez

BACKGROUND/HISTORY:
The **Design Incentive Grant Program** is a matching-fund initiative administered by the Duncanville Community and Economic Development Corporation (DCEDC) to support the **recruitment, promotion, and retention of sustainable businesses** throughout the City of Duncanville. The program encourages private investment that enhances commercial corridors, expands the local economic base, increases the sales tax base, eliminates blight, and improves the visual character of the community.

The FY26 application window ran **December 1, 2025 through April 1, 2026**, with DCEDC Board presentations planned for **Spring / Summer 2026**.

The program provides **50/50 matching grants**, with award caps established for each category:

- **Paint – $7,500**
- **Signage – $5,000**
- **Landscaping – $10,000**
- **Façade – $10,000**
- **Pavement – $25,000**
- **Infrastructure – $20,000**

The DCEDC may fund up to 50% of project costs; applicants must fund the remaining 50%. All applications are reviewed on a case-by-case basis, and **City Council has final approval** of all incentive agreements.

Program Activity Summary - FY 2026

The Economic Development Department received a total of **16 applications** from **8 unique businesses** across the six grant categories. Two businesses submitted applications in multiple categories, some with overlapping scopes of work such as parking lot improvements, exterior rehabilitation, and signage upgrades. Staff will conduct a detailed scope review to prevent duplication of funding for the same improvements.

Totals by Category

Category	Applications	Total Requested
Landscaping	1	**$7,500**
Infrastructure	4	**$165,230**
Pavement	2	**$168,726.50**
Signage	5	**$42,661.41**
Paint	2	**$168,726.50**
Façade	2	**$245,778.09**

Total Funding Request Overview

- **Total requested:** $798,622.50
- **Average request:** $49,913.91
- **Range:** $4,020.41 to $205,800 per application
- **Maximum potential DCEDC exposure (50% match cap):** $399,311.25
  (Actual award amounts may be lower based on eligibility, scope verification, and Board discretion.)

Economic Impact Indicators

Applicants collectively reported:

- **Estimated jobs added:** 120 (numeric entries only; some entries were non-numeric, and totals may double-count businesses applying in multiple categories)
- **Reported payroll:** $18,523,794.64 (not unduplicated; reflects repeating applicants across categories)

While these figures are self-reported and require validation, the data demonstrates strong engagement from local businesses and indicates anticipated economic activity tied to the proposed improvements.

Key Review Considerations

- **Scope Duplication:** Multi-category submissions by single businesses may represent overlapping components of one project rather than distinct eligible scopes.
- **Financing Readiness:** Several applicants indicate use of private financing; staff will verify funding capacity per program guidelines.
- **Bid Verification:** All submitted quotations will undergo compliance review to ensure alignment with stated project scopes before staff recommendations.
- **Timeline Compliance:** All applicants acknowledged understanding of reimbursement procedures, matching requirements, and pre-approval obligations.

Next Steps
Staff will complete detailed eligibility reviews, validate project scopes, and prepare award recommendations for future Board consideration. Additional documentation and applicant clarifications may be requested as part of that process.

POLICY EXPLANATION:
Key Eligibility Requirements

Applicants must meet the General Participation Requirements established in the FY26 Grant Guidelines. Key requirements include:

- Properties must be subject to property taxes.
- Applicants must submit at least three (3) competitive bidsfor each grant category, including an effort to obtain quotes from Duncanville-based vendors.
- Projects must be approved before work begins; grants are not available for retroactive reimbursement.
- Approved projects must be completed within six (6) months of City Council approval unless an extension is granted.
- Applicants must comply with tax filings, tax payments, business licensing, code compliance, and all local, state, and federal laws.
- All grants are reimbursement-based and require execution of a performance or incentive agreement.
- All required documentation must be submitted, including:
    - Business plan
    - Marketing plan
    - Texas Sales & Use Tax Certificate
    - Three bids
    - Renderings/drawings/samples

- Photos of the project area

FUNDING SOURCE:
ORG and Object Number
N/A

Available Budget	**Purchase Amount**	**After Encumber**
N/A	N/A	N/A

ACTION ALTERNATIVES:

ATTACHMENTS:
None

FY 2026-2027 Budget Calendar

Duncanville Community and Economic Development Corporation

DATE	EVENT / MILESTONE	TYPE	NOTES
FEBRUARY 2026			
Feb 26, 2026	City Internal Budget Kickoff Meeting	City	Formal start of city-wide budget process
Feb 28, 2026	CIP Edits Due	City	Capital improvement plan finalized
MARCH 2026			
Mar 1–Apr 17, 2026	Departments Develop Operating Budget	City	City departments submit budget requests
Mar 1–Apr 30, 2026	Citizen Engagement – Priority Surveys	City	Community input gathered for city priorities
Mar 9, 2026	**DCEDC Special Meeting 2026-2027 Budget Calendar**	**DCEDC**	**Board provides feedback on FY27 Budget Process & Calendar**
Mar 23, 2026	**DCEDC Regular Meeting**	**DCEDC**	**DCEDC Board will discuss and share budget priorities for the upcoming fiscal year ahead of the April 27th meeting**
APRIL 2026			
Apr 3, 2026	DCEDC Internal Deadline – Funding & Capital Requests from City	City	City Departments (Parks, Public Safety, Public Works) submit capital-related requests
Apr 20–May 8	Department Meetings with Finance	City	City department budget review sessions
Apr 27, 2026	**DCEDC Regular Meeting Budget Workshop**	**DCEDC**	**Board receives preliminary budget estimates; Discussion of Board Priorities, Goals and KPI Data**
MAY 2026			
May 1, 2026	Master Fees Due (City)	City	City fee schedule finalized
May 7, 2026	Economic Development Budget Meeting (City)	City	11:00 AM–12:00 PM | CFO, Budget Admin, DCEDC Staff
May 18, 2026	**DCEDC Regular Meeting Proposed FY 2026-2027 Budget**	**DCEDC**	**Board receives proposed FY- 27 Budget. Discussions & In-depth Review**
May 18–29, 2026	City Manager Budget Presentations	City	Departments present to City Manager
JUNE 2026			
Jun 1, 2026	Internal Deadline – Goals, KPIs & Work Plan for Budget Book	City/DCEDC	DCEDC staff prepares performance narrative for budget book
Jun 22, 2026	**DCEDC Regular Meeting**	**DCEDC**	**2026-2027 Budget Adoption**

Bylaws Adoption Deadline: June 30, 2026 | As of March 2026

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CITY SALES AND USE TAX COMPARISON SUMMARY
Sales Tax Collected February 2026, Received April 2026
*** Calendar Year Based ***

County/City	Rate	Net Payment Current Month	Comparable Payment Prior Year	% Change	2026 Payments YTD	2025 Payments YTD
Dallas						
Addison	1.00%	$1,555,010.92	$1,280,923.29	21.39%	$6,344,921.93	$5,913,878.60
Balch Springs	2.00%	$902,598.14	$789,050.50	14.39%	$3,746,928.09	$3,725,794.96
Carrollton	1.00%	$3,840,352.76	$3,590,179.68	6.96%	$16,809,456.01	$15,823,921.44
Cedar Hill	1.88%	$1,674,517.51	$1,471,384.65	13.80%	$7,613,538.10	$7,006,350.39
Cockrell Hill	1.00%	$44,221.40	$50,246.35	-11.99%	$207,622.03	$204,190.18
Coppell	1.75%	$3,616,220.16	$3,224,517.82	12.14%	$15,822,904.98	$14,235,294.29
Dallas	1.00%	$33,932,997.21	$31,618,254.56	7.32%	$151,177,625.58	$147,149,974.21
De Soto	2.00%	$1,122,365.33	$954,778.09	17.55%	$5,451,027.77	$4,877,275.87
Duncanville	**2.00%**	**$986,403.08**	**$931,052.30**	**5.94%**	**$4,293,945.34**	**$4,317,711.64**
Farmers Branch	1.00%	$1,788,505.90	$1,872,031.00	-4.46%	$7,844,199.21	$8,135,810.25
Garland	1.00%	$3,135,668.15	$2,990,777.40	4.84%	$14,158,350.92	$13,949,685.11
Glenn Heights	1.00%	$95,569.67	$87,591.75	9.10%	$442,222.54	$413,574.87
Highland Park	1.00%	$861,049.22	$648,229.27	32.83%	$3,739,464.34	$3,279,720.41
Hutchins	2.00%	$660,457.68	$372,456.62	77.32%	$2,658,418.01	$1,812,087.10
Irving	1.00%	$8,548,454.29	$8,639,071.37	-1.04%	$39,706,527.50	$38,375,221.61
Lancaster	2.00%	$2,322,824.63	$1,626,549.91	42.80%	$8,665,014.52	$7,315,204.81
Mesquite	2.00%	$4,712,652.70	$4,331,745.47	8.79%	$24,474,094.83	$20,323,507.12
Richardson	1.00%	$8,447,158.27	$3,495,816.53	141.63%	$24,321,145.61	$19,149,923.82
Rowlett	1.00%	$741,642.34	$673,858.69	10.05%	$3,276,915.38	$3,250,231.41
Sachse	1.75%	$390,405.66	$356,329.32	9.56%	$1,876,053.56	$1,755,082.33
Seagoville	2.00%	$562,998.88	$610,778.16	-7.82%	$2,181,756.62	$2,283,953.97
Sunnyvale	2.00%	$708,332.68	$449,504.04	57.58%	$2,423,191.28	$2,188,668.80
University Park	1.00%	$510,282.38	$481,309.18	6.01%	$2,553,036.88	$2,302,362.17
Wilmer	2.00%	$661,504.11	$872,393.97	-24.17%	$4,685,393.66	$3,779,808.49
Lake Dallas	2.00%	$191,779.30	$164,364.32	16.67%	$877,391.40	$908,683.44
County Total		**$82,013,972.37**	**$71,583,194.24**	**14.57%**	**$355,351,146.09**	**$332,477,917.29**

Tarrant

Bedford	2.00%	$1,155,499.23	$1,151,824.97	0.31%	$5,314,307.49	$5,419,978.59
Haltom City	1.75%	$1,438,689.31	$1,259,536.04	14.22%	$6,136,658.33	$5,733,626.95
Euless	1.75%	$2,404,540.00	$1,813,951.12	32.55%	$9,893,803.51	$8,696,222.43
Hurst	1.50%	$1,429,133.89	$1,258,695.15	13.54%	$6,805,339.12	$6,403,926.02
Grand Prairie	1.75%	$6,514,844.40	$5,819,030.16	11.95%	$28,944,169.15	$27,476,329.21
Grapevine	1.50%	$4,938,293.14	$4,781,641.96	3.27%	$22,522,954.99	$21,832,759.54
Southlake	1.88%	$2,686,407.16	$2,775,390.32	-3.20%	$15,062,883.74	$14,266,220.02
Mansfield	2.00%	$3,180,743.66	$2,769,420.10	14.85%	$14,707,533.74	$14,157,891.45

Ellis

Midlothian	2.00%	$2,843,048.67	$2,292,576.03	24.01%	$11,841,547.74	$9,500,405.41
Waxahachie	2.00%	$2,294,357.29	$2,060,512.06	11.34%	$10,474,751.95	$10,007,152.64

% Change
7.28%
0.56%
6.22%
8.66%
1.68%
11.15%
2.73%
11.76%
-0.55%
-3.58%
1.49%
6.92%
14.01%
46.70%
3.46%
18.45%
20.42%
27.00%
0.82%
6.89%
-4.47%
10.71%
10.88%
23.95%
-3.44%
6.88%

-1.94%
7.02%
13.77%
6.26%
5.34%
3.16%
5.58%
3.88%

24.64%
4.67%

City of Duncanville
Authority Code: 2057084

Select a month

Allocation Period: Apr 2026	
Total Period Collections::	1,008,251.11
Prior Period Collections:	17,245.02
Current Period Collections:	960,273.13
Future Period Collections:	12,696.83
Audit Collections:	5,127.60
Unidentified:	391.17
Single Local Rate Collections:	12,517.36
Service Fee:	20,165.02
Current Retained:	19,761.72
Prior Retained:	18,078.71
Net Payment	986,403.08

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CITY SALES AND USE TAX COMPARISON SUMMARY
Sales Tax Collected January 2026, Received March 2026
*** Calendar Year Based ***

County/City	Rate	Net Payment Current Month	Comparable Payment Prior Year	% Change	2026 Payments YTD	2025 Payments YTD
Dallas						
Addison	1.00%	$1,508,190.36	$1,571,229.05	-4.01%	$4,789,911.01	$4,632,955.31
Balch Springs	2.00%	$865,413.64	$823,997.49	5.02%	$2,844,329.95	$2,936,744.46
Carrollton	1.00%	$3,616,795.46	$3,443,984.62	5.01%	$12,969,103.25	$12,233,741.76
Cedar Hill	1.88%	$1,553,611.82	$1,472,858.15	5.48%	$5,939,020.59	$5,534,965.74
Cockrell Hill	1.00%	$44,942.53	$51,189.66	-12.20%	$163,400.63	$153,943.83
Coppell	1.75%	$3,432,203.39	$3,274,502.96	4.81%	$12,206,684.82	$11,010,776.47
Dallas	1.00%	$33,711,866.07	$33,209,242.64	1.51%	$117,244,628.37	$115,531,719.65
De Soto	2.00%	$1,191,643.62	$1,008,731.02	18.13%	$4,328,662.44	$3,922,497.78
Duncanville	**2.00%**	**$913,439.89**	**$998,062.95**	**-8.47%**	**$3,307,542.26**	**$3,386,659.34**
Farmers Branch	1.00%	$1,966,509.90	$1,833,368.93	7.26%	$6,055,693.31	$6,263,779.25
Garland	1.00%	$3,013,795.70	$3,052,342.39	-1.26%	$11,022,682.77	$10,958,907.71
Glenn Heights	1.00%	$96,709.52	$88,740.65	8.97%	$346,652.87	$325,983.12
Highland Park	1.00%	$659,837.63	$566,524.37	16.47%	$2,878,415.12	$2,631,491.14
Hutchins	2.00%	$672,903.06	$445,098.22	51.18%	$1,997,960.33	$1,439,630.48
Irving	1.00%	$9,534,860.55	$8,829,978.70	7.98%	$31,158,073.21	$29,736,150.24
Lancaster	2.00%	$2,146,319.92	$1,551,654.29	38.32%	$6,342,189.89	$5,688,654.90
Mesquite	2.00%	$4,475,866.95	$4,168,920.55	7.36%	$19,761,442.13	$15,991,761.65
Richardson	1.00%	$5,249,538.75	$5,300,825.87	-0.96%	$15,873,987.34	$15,654,107.29
Rowlett	1.00%	$716,607.81	$696,779.54	2.84%	$2,535,273.04	$2,576,372.72
Sachse	1.75%	$406,315.76	$353,897.31	14.81%	$1,485,647.90	$1,398,753.01
Seagoville	2.00%	$466,610.86	$431,343.64	8.17%	$1,618,757.74	$1,673,175.81
Sunnyvale	2.00%	$534,172.69	$528,542.22	1.06%	$1,714,858.60	$1,739,164.76
University Park	1.00%	$528,664.73	$511,765.51	3.30%	$2,042,754.50	$1,821,052.99
Wilmer	2.00%	$1,073,949.83	$776,636.65	38.28%	$4,023,889.55	$2,907,414.52
Lake Dallas	2.00%	$207,450.42	$198,262.53	4.63%	$685,612.10	$744,319.12
County Total		**$78,588,220.86**	**$75,188,479.91**	**4.52%**	**$273,337,173.72**	**$260,894,723.05**

Tarrant

Bedford	2.00%	$1,212,516.72	$1,261,148.85	-3.85%	$4,158,808.26	$4,268,153.62
Haltom City	1.75%	$1,399,212.70	$1,326,683.64	5.46%	$4,697,969.02	$4,474,090.91
Euless	1.75%	$2,203,541.51	$1,912,068.27	15.24%	$7,489,263.51	$6,882,271.31
Hurst	1.50%	$1,482,467.28	$1,400,331.11	5.86%	$5,376,205.23	$5,145,230.87
Grand Prairie	1.75%	$8,303,189.41	$6,040,996.60	37.44%	$22,429,324.75	$21,657,299.05
Grapevine	1.50%	$4,515,622.99	$4,974,812.39	-9.23%	$17,584,661.85	$17,051,117.58
Southlake	1.88%	$3,425,432.91	$3,250,005.88	5.39%	$12,376,476.58	$11,490,829.70
Mansfield	2.00%	$3,232,622.45	$3,036,057.72	6.47%	$11,526,790.08	$11,388,471.35

Ellis

Midlothian	2.00%	$3,239,482.88	$2,005,578.25	61.52%	$8,998,499.07	$7,207,829.38
Waxahachie	2.00%	$2,224,446.65	$2,073,636.28	7.27%	$8,180,394.66	$7,946,640.58

% Change
3.38%
-3.14%
6.01%
7.30%
6.14%
10.86%
1.48%
10.35%
-2.33%
-3.32%
0.58%
6.34%
9.38%
38.78%
4.78%
11.48%
23.57%
1.40%
-1.59%
6.21%
-3.25%
-1.39%
12.17%
38.40%
-7.88%
4.77%

-2.56%
5.00%
8.81%
4.48%
3.56%
3.12%
7.70%
1.21%

24.84%
2.94%

City of Duncanville
Authority Code: 2057084

Select a month

Allocation Period: Mar 2026	
Total Period Collections::	922,383.03
Prior Period Collections:	-245.95
Current Period Collections:	896,746.94
Future Period Collections:	4,184.93
Audit Collections:	10,564.06
Unidentified:	131.63
Single Local Rate Collections:	11,001.42
Service Fee:	18,447.66
Current Retained:	18,078.71
Prior Retained:	27,583.23
Net Payment	913,439.89

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CITY SALES AND USE TAX COMPARISON SUMMARY
Sales Tax Collected December 2025, Received February 2026
*** Calendar Year Based ***

County/City	Rate	Net Payment Current Month	Comparable Payment Prior Year	% Change	2026 Payments YTD	2025 Payments YTD
Dallas						
Addison	1.00%	$1,891,542.85	$1,762,073.33	7.34%	$3,281,720.65	$3,061,726.26
Balch Springs	2.00%	$1,113,792.64	$1,226,545.45	-9.19%	$1,978,916.31	$2,112,746.97
Carrollton	1.00%	$4,679,721.62	$4,920,517.54	-4.89%	$9,352,307.79	$8,789,757.14
Cedar Hill	1.88%	$2,564,760.09	$2,387,245.13	7.43%	$4,385,408.77	$4,062,107.59
Cockrell Hill	1.00%	$68,034.86	$55,010.86	23.67%	$118,458.10	$102,754.17
Coppell	1.75%	$5,396,928.76	$4,271,222.88	26.35%	$8,774,481.43	$7,736,273.51
Dallas	1.00%	$48,361,455.38	$45,626,800.96	5.99%	$83,532,762.30	$82,322,477.01
De Soto	2.00%	$1,774,548.88	$1,853,123.46	-4.24%	$3,137,018.82	$2,913,766.76
Duncanville	**2.00%**	**$1,371,999.23**	**$1,401,870.81**	**-2.13%**	**$2,394,102.37**	**$2,388,596.39**
Farmers Branch	1.00%	$2,347,233.07	$2,362,819.56	-0.65%	$4,089,183.41	$4,430,410.32
Garland	1.00%	$4,507,939.89	$4,624,707.60	-2.52%	$8,008,887.07	$7,906,565.32
Glenn Heights	1.00%	$142,353.46	$138,031.46	3.13%	$249,943.35	$237,242.47
Highland Park	1.00%	$1,298,502.76	$1,271,081.01	2.15%	$2,218,577.49	$2,064,966.77
Hutchins	2.00%	$777,861.24	$517,641.75	50.27%	$1,325,057.27	$994,532.26
Irving	1.00%	$12,782,437.56	$11,930,257.37	7.14%	$21,623,212.66	$20,906,171.54
Lancaster	2.00%	$2,337,254.60	$2,470,221.58	-5.38%	$4,195,869.97	$4,137,000.61
Mesquite	2.00%	$9,946,667.85	$7,173,928.19	38.65%	$15,285,575.18	$11,822,841.10
Richardson	1.00%	$5,976,926.63	$6,307,855.78	-5.24%	$10,624,448.59	$10,353,281.42
Rowlett	1.00%	$1,029,906.72	$1,123,246.21	-8.30%	$1,818,665.23	$1,879,593.18
Sachse	1.75%	$634,857.55	$636,863.97	-0.31%	$1,079,332.14	$1,044,855.70
Seagoville	2.00%	$628,715.94	$623,891.44	0.77%	$1,152,146.88	$1,241,832.17
Sunnyvale	2.00%	$664,546.48	$658,590.37	0.90%	$1,180,685.91	$1,210,622.54
University Park	1.00%	$910,817.56	$767,677.57	18.64%	$1,514,089.77	$1,309,287.48
Wilmer	2.00%	$1,852,614.57	$1,184,479.10	56.40%	$2,949,939.72	$2,130,777.87
Lake Dallas	2.00%	$276,220.84	$280,846.57	-1.64%	$478,161.68	$546,056.59
County Total		**$113,337,641.03**	**$105,576,549.95**	**7.35%**	**$194,748,952.86**	**$185,706,243.14**

Tarrant

Bedford	2.00%	$1,722,545.34	$1,826,219.39	-5.67%	$2,946,291.54	$3,007,004.77
Haltom City	1.75%	$1,862,450.20	$1,804,491.85	3.21%	$3,298,756.32	$3,147,407.27
Euless	1.75%	$3,019,083.20	$2,867,843.97	5.27%	$5,285,722.00	$4,970,203.04
Hurst	1.50%	$2,389,674.02	$2,241,926.57	6.59%	$3,893,737.95	$3,744,899.76
Grand Prairie	1.75%	$7,247,189.55	$9,025,287.68	-19.70%	$14,126,135.34	$15,616,302.45
Grapevine	1.50%	$7,696,714.41	$6,806,521.19	13.07%	$13,069,038.86	$12,076,305.19
Southlake	1.88%	$5,343,593.70	$4,816,081.24	10.95%	$8,951,043.67	$8,240,823.82
Mansfield	2.00%	$4,908,132.29	$4,948,961.55	-0.82%	$8,294,167.63	$8,352,413.63

Ellis

Midlothian	2.00%	$2,953,589.49	$3,109,946.84	-5.02%	$5,759,016.19	$5,202,251.13
Waxahachie	2.00%	$3,400,219.05	$3,492,562.69	-2.64%	$5,955,948.01	$5,873,004.30

% Change
7.18%
-6.33%
6.40%
7.95%
15.28%
13.42%
1.47%
7.66%
0.23%
-7.70%
1.29%
5.35%
7.43%
33.23%
3.42%
1.42%
29.28%
2.61%
-3.24%
3.29%
-7.22%
-2.47%
15.64%
38.44%
-12.43%
4.87%

-2.01%
4.80%
6.34%
3.97%
-9.54%
8.22%
8.61%
-0.69%

10.70%
1.41%

City of Duncanville
Authority Code: 2057084

Select a month

Allocation Period: Feb 2026	
Total Period Collections::	1,407,307.74
Prior Period Collections:	9,479.07
Current Period Collections:	1,367,372.75
Future Period Collections:	5,723.30
Audit Collections:	3,176.57
Unidentified:	873.86
Single Local Rate Collections:	20,682.19
Service Fee:	28,146.15
Current Retained:	27,583.23
Prior Retained:	20,420.87
Net Payment	1,371,999.23

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CITY SALES AND USE TAX COMPARISON SUMMARY
Sales Tax Collected November 2025, Received January 2026
*** Calendar Year Based ***

County/City	Rate	Net Payment Current Month	Comparable Payment Prior Year	% Change	2026 Payments YTD	2025 Payments YTD
Dallas						
Addison	1.00%	$1,390,177.80	$1,299,652.93	6.96%	$1,390,177.80	$1,299,652.93
Balch Springs	2.00%	$865,123.67	$886,201.52	-2.37%	$865,123.67	$886,201.52
Carrollton	1.00%	$4,672,586.17	$3,869,239.60	20.76%	$4,672,586.17	$3,869,239.60
Cedar Hill	1.88%	$1,820,648.68	$1,674,862.46	8.70%	$1,820,648.68	$1,674,862.46
Cockrell Hill	1.00%	$50,423.24	$47,743.31	5.61%	$50,423.24	$47,743.31
Coppell	1.75%	$3,377,552.67	$3,465,050.63	-2.52%	$3,377,552.67	$3,465,050.63
Dallas	1.00%	$35,171,306.92	$36,695,676.05	-4.15%	$35,171,306.92	$36,695,676.05
De Soto	2.00%	$1,362,469.94	$1,060,643.30	28.45%	$1,362,469.94	$1,060,643.30
Duncanville	**2.00%**	**$1,022,103.14**	**$986,725.58**	**3.58%**	**$1,022,103.14**	**$986,725.58**
Farmers Branch	1.00%	$1,741,950.34	$2,067,590.76	-15.74%	$1,741,950.34	$2,067,590.76
Garland	1.00%	$3,500,947.18	$3,281,857.72	6.67%	$3,500,947.18	$3,281,857.72
Glenn Heights	1.00%	$107,589.89	$99,211.01	8.44%	$107,589.89	$99,211.01
Highland Park	1.00%	$920,074.73	$793,885.76	15.89%	$920,074.73	$793,885.76
Hutchins	2.00%	$547,196.03	$476,890.51	14.74%	$547,196.03	$476,890.51
Irving	1.00%	$8,840,775.10	$8,975,914.17	-1.50%	$8,840,775.10	$8,975,914.17
Lancaster	2.00%	$1,858,615.37	$1,666,779.03	11.50%	$1,858,615.37	$1,666,779.03
Mesquite	2.00%	$5,338,907.33	$4,648,912.91	14.84%	$5,338,907.33	$4,648,912.91
Richardson	1.00%	$4,647,521.96	$4,045,425.64	14.88%	$4,647,521.96	$4,045,425.64
Rowlett	1.00%	$788,758.51	$756,346.97	4.28%	$788,758.51	$756,346.97
Sachse	1.75%	$444,474.59	$407,991.73	8.94%	$444,474.59	$407,991.73
Seagoville	2.00%	$523,430.94	$617,940.73	-15.29%	$523,430.94	$617,940.73
Sunnyvale	2.00%	$516,139.43	$552,032.17	-6.50%	$516,139.43	$552,032.17
University Park	1.00%	$603,272.21	$541,609.91	11.38%	$603,272.21	$541,609.91
Wilmer	2.00%	$1,097,325.15	$946,298.77	15.95%	$1,097,325.15	$946,298.77
Lake Dallas	2.00%	$201,940.84	$265,210.02	-23.85%	$201,940.84	$265,210.02
County Total		**$81,411,311.83**	**$80,129,693.19**	**1.60%**	**$81,411,311.83**	**$80,129,693.19**

Tarrant

Bedford	2.00%	$1,223,746.20	$1,180,785.38	3.63%	$1,223,746.20	$1,180,785.38
Haltom City	1.75%	$1,436,306.12	$1,342,915.42	6.95%	$1,436,306.12	$1,342,915.42
Euless	1.75%	$2,266,638.80	$2,102,359.07	7.81%	$2,266,638.80	$2,102,359.07
Hurst	1.50%	$1,504,063.93	$1,502,973.19	0.07%	$1,504,063.93	$1,502,973.19
Grand Prairie	1.75%	$6,878,945.79	$6,591,014.77	4.36%	$6,878,945.79	$6,591,014.77
Grapevine	1.50%	$5,372,324.45	$5,269,784.00	1.94%	$5,372,324.45	$5,269,784.00
Southlake	1.88%	$3,607,449.97	$3,424,742.58	5.33%	$3,607,449.97	$3,424,742.58
Mansfield	2.00%	$3,386,035.34	$3,403,452.08	-0.51%	$3,386,035.34	$3,403,452.08

Ellis

Midlothian	2.00%	$2,805,426.70	$2,092,304.29	34.08%	$2,805,426.70	$2,092,304.29
Waxahachie	2.00%	$2,555,728.96	$2,380,441.61	7.36%	$2,555,728.96	$2,380,441.61

% Change
6.96%
-2.37%
20.76%
8.70%
5.61%
-2.52%
-4.15%
28.45%
3.58%
-15.74%
6.67%
8.44%
15.89%
14.74%
-1.50%
11.50%
14.84%
14.88%
4.28%
8.94%
-15.29%
-6.50%
11.38%
15.95%
-23.85%
1.60%

3.63%
6.95%
7.81%
0.07%
4.36%
1.94%
5.33%
-0.51%

34.08%
7.36%

City of Duncanville
Authority Code: 2057084

Select a month

Allocation Period: Jan 2026	
Total Period Collections::	1,041,881.23
Prior Period Collections:	19,632.99
Current Period Collections:	996,343.32
Future Period Collections:	2,247.39
Audit Collections:	8,185.96
Unidentified:	251.65
Single Local Rate Collections:	15,219.92
Service Fee:	20,837.62
Current Retained:	20,420.87
Prior Retained:	21,480.40
Net Payment	1,022,103.14

STATE OF TEXAS
COMPTROLLER OF PUBLIC ACCOUNTS
CITY SALES AND USE TAX COMPARISON SUMMARY
Sales Tax Collected October 2025, Received December 2025
*** Calendar Year Based ***

County/City	Rate	Net Payment Current Month	Comparable Payment Prior Year	% Change	2025 Payments YTD	2024 Payments YTD
Dallas						
Addison	1.00%	$1,600,996.74	$1,391,938.20	15.01%	$17,763,759.02	$17,359,198.09
Balch Springs	2.00%	$1,029,051.73	$1,023,792.83	0.51%	$11,643,005.93	$11,917,668.70
Carrollton	1.00%	$4,293,884.51	$4,616,432.92	-6.98%	$51,894,964.83	$49,995,914.31
Cedar Hill	1.88%	$1,776,643.50	$1,630,861.62	8.93%	$21,559,419.04	$21,165,590.37
Cockrell Hill	1.00%	$48,919.68	$53,993.86	-9.39%	$651,934.21	$627,744.73
Coppell	1.75%	$3,644,824.11	$3,736,631.34	-2.45%	$41,634,227.33	$44,420,491.95
Dallas	1.00%	$37,679,080.19	$37,792,353.92	-0.29%	$451,388,319.29	$439,640,677.48
De Soto	2.00%	$1,759,604.27	$1,298,265.50	35.53%	$16,532,448.25	$15,489,071.57
Duncanville	**2.00%**	**$1,078,266.49**	**$1,029,691.52**	**4.71%**	**$13,799,536.73**	**$13,245,687.88**
Farmers Branch	1.00%	$2,138,147.00	$2,162,529.02	-1.12%	$24,905,938.36	$24,356,817.99
Garland	1.00%	$4,711,998.80	$3,468,705.91	35.84%	$53,928,143.23	$44,528,164.29
Glenn Heights	1.00%	$111,526.45	$95,370.68	16.93%	$1,299,100.76	$1,273,117.23
Highland Park	1.00%	$822,064.07	$722,861.02	13.72%	$9,560,386.93	$8,905,311.14
Hutchins	2.00%	$644,734.81	$546,752.48	17.92%	$6,209,527.27	$5,765,070.33
Irving	1.00%	$10,863,994.63	$9,460,808.19	14.83%	$118,516,619.38	$107,386,033.32
Lancaster	2.00%	$2,433,231.22	$1,785,985.97	36.24%	$22,889,698.95	$23,079,045.59
Mesquite	2.00%	$5,754,423.82	$4,807,871.94	19.68%	$64,081,185.76	$59,741,103.85
Richardson	1.00%	$4,437,181.85	$4,656,051.16	-4.70%	$55,685,256.69	$54,079,005.75
Rowlett	1.00%	$869,143.63	$804,876.73	7.98%	$10,060,110.83	$9,825,283.23
Sachse	1.75%	$445,204.00	$412,652.76	7.88%	$5,342,553.34	$5,335,260.06
Seagoville	2.00%	$578,376.79	$516,661.61	11.94%	$6,522,821.13	$6,047,428.54
Sunnyvale	2.00%	$651,564.03	$544,805.41	19.59%	$6,636,250.75	$6,292,465.51
University Park	1.00%	$706,034.01	$625,907.39	12.80%	$7,331,451.79	$7,132,505.31
Wilmer	2.00%	$1,263,059.64	$905,751.35	39.44%	$12,965,130.20	$12,013,575.41
Lake Dallas	2.00%	$199,204.23	$214,379.44	-7.07%	$2,526,635.50	$2,347,779.76
County Total		**$89,541,160.20**	**$84,305,932.77**	**6.21%**	**$1,035,328,425.50**	**$991,970,012.39**

Tarrant

Bedford	2.00%	$1,442,761.71	$1,325,110.34	8.87%	$16,529,764.39	$16,443,395.66
Haltom City	1.75%	$1,557,220.70	$1,604,264.19	-2.93%	$19,159,554.69	$18,506,760.17
Euless	1.75%	$2,378,857.75	$2,282,133.76	4.23%	$27,983,780.08	$26,018,384.37
Hurst	1.50%	$1,505,726.92	$1,442,438.54	4.38%	$18,790,936.57	$18,397,760.50
Grand Prairie	1.75%	$7,504,739.48	$7,058,658.07	6.31%	$86,456,248.11	$84,806,077.13
Grapevine	1.50%	$5,650,464.05	$5,154,006.18	9.63%	$66,596,070.31	$63,812,152.86
Southlake	1.88%	$3,592,942.63	$3,329,563.76	7.91%	$43,833,845.77	$40,688,139.67
Mansfield	2.00%	$3,329,563.76	$3,069,000.26	8.49%	$40,688,139.67	$38,829,952.24

Ellis

Midlothian	2.00%	$3,136,026.80	$2,113,511.75	48.37%	$31,801,178.44	$24,746,508.87
Waxahachie	2.00%	$2,618,759.86	$2,394,258.17	9.37%	$31,430,624.82	$30,093,798.33

% Change
2.33%
-2.30%
3.79%
1.86%
3.85%
-6.27%
2.67%
6.73%
4.18%
2.25%
21.11%
2.04%
7.35%
7.70%
10.36%
-0.82%
7.26%
2.97%
2.39%
0.13%
7.86%
5.46%
2.78%
7.92%
7.61%
4.37%

0.52%
3.52%
7.55%
2.13%
1.94%
4.36%
7.73%
4.78%

28.50%
4.44%

City of Duncanville
Authority Code: 2057084

Select a month

Allocation Period: Dec 2025	
Total Period Collections::	1,095,938.70
Prior Period Collections:	29,390.47
Current Period Collections:	1,063,154.53
Future Period Collections:	7,271.67
Audit Collections:	-17,561.23
Unidentified:	62.55
Single Local Rate Collections:	13,620.71
Service Fee:	21,918.77
Current Retained:	21,480.40
Prior Retained:	25,726.96
Net Payment	1,078,266.49

DCEDC AWARDED INCENTIVE GRANTS & SPECIAL PROJECTS AS OF 02-28-2026

BUSINESS NAME (APPLICANT)	AMOUNT	COUNCIL RESOLUTION#	AWARDED DATE	FY 2026 PAID	CURRENT YEAR OBLIGATION REMAINING	FUTURE YEAR OBLIGATIONS	EXPIRATION DATES	NOTES:
Kim and Jennys Café	$ 135,000.00	2025-554	10/21/2025	$ 27,000.00	$ -	$ 108,000.00		Installments through December 1, 2029
Redbird Skateland Inc - Parking	$ 6,871.50	2025-556	10/21/2025	$ 6,871.50	$ -		4/21/2026	Complete
Hajoca (Moore Supply Co.)	$ 434,405.00	2023-059	7/18/2023		$ 232,202.50		PH 1: 12/31/2023 PH 2: 12/31/2024 PH 3: 12/31/2025	Phase 1 Completed Phase 2 Completed Phase 3 ($15,000) expected end of 2025; $217, 202.50 upon completion of all phases.
Corinth Properties (Bojangles)	$ 150,000.00	2026-594	2/3/2026		$ -	$ 150,000.00		Set to go to Council 02/03/26 meeting - 5 year w/annual rebate of sales tax upon issuance of CO (First Payment Est. FY-2027)
Pegaso California Construction Corp	$ 70,000.00	2026-607	3/3/2026			$ 70,000.00		Reimbursement schedule commences upon completion of development.
JCTF Real Estate, LLC	$ 200,000.00		3/23/2026		$ 200,000.00			City Council approval pending.
Bluedot- Shop Local Cash Back Rewards Campaign 2026	$ 29,740.00		3/23/2026		$ 29,745.00			Budget item authorized by DCEDC Board a budgted business retention activity to incentize local spending.
TOTALS	**$ 576,276.50**			**$ 33,871.50**	**$ 461,947.50**	**$ 328,000.00**		

FY 2026 BUDGET	**$ 900,000.00**
FY 26 PAID + CURRENT YEAR	(495,819.00)
FY 2026 BUDGET REMAINING	**$ 404,181.00**

COMMUNITY INCENTIVES (DESIGN INCENTIVE GRANTS) AS OF 02-28-26

BUSINESS NAME (APPLICANT)	AMOUNT	COUNCIL RESOLUTION#	AWARDED DATE	FY 2025 PAID	AWARD BALANCE REMAINING	NOTES:
COMMUNITY INCENTIVES - 12051000-708502						
			TOTAL	**$ -**	**$ -**	

FY 2026 Budget	**$**	**50,000.00**
Remaining Budget	$	50,000.00

SPONSORSHIPS AS OF 02-28-26

APPLICANT - Event	AMOUNT	COUNCIL RESOLUTION#	AWARDED DATE	FY 2026 PAID	AWARD BALANCE REMAINING	NOTES:
Pink Diamonds Bike Ride 11-2025	$ 5,000.00	2025-539	9/16/2025	$ 5,000.00		Complete // Sponsorship awarded FY25, Event occured FY26
PIP - Property Improvement Program (2025)	$ 5,000.00	2025-436	3/18/2025	$ 5,000.00		Complete // Reimbursement submitted Oct 2025, applied to FY26 budget
17th Annual Fire Truck Pull	$ 7,500.00		TBD	$ -		
PIP - Property Improvement Program (2026)	$ 5,000.00		TBD	$ -		
TOTALS	**$ 22,500.00**			**$ 10,000.00**	**$ -**	
				FY 2026 Budget	$ 35,000.00	
				Remaining Budge	**$ 12,500.00**	

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Primary Government	
	Governmental Activities	Business-Type Activities
ASSETS		
Cash and investments	$ 49,899,579	$ 18,818,632
Receivables, net of allowance	6,934,334	3,787,659
Due from other governments	40,574	186,675
Internal balances	(91,168)	91,168
Prepaid items	12,625	465
Restricted cash and investments	-	843,019
Investment in joint ventures	1,065,867	-
Capital assets:		
Non-depreciable	22,950,923	1,589,127
Depreciable, net	49,717,428	52,998,808
Total capital assets	72,668,351	54,587,935
Total assets	130,530,162	78,315,553
DEFERRED OUTFLOWS OF RESOURCES		
Deferred amounts - pension related	3,350,452	365,254
Deferred amounts - OPEB related	441,191	48,099
Total deferred outflows of resources	3,791,643	413,353
LIABILITIES		
Accounts payable and accrued expenses	1,706,734	1,400,453
Accrued liabilities	1,296,192	257,398
Accrued interest payable	77,216	-
Unearned revenue	451,181	149,225
Customer deposits	10,221	910,920
Investment in joint ventures	-	-
Noncurrent liabilities:		
Due within one year:		
Long-term debt	956,472	5,820
Compensated absences	381,762	27,898
Total OPEB liability	39,571	4,314
Due in more than one year:		
Long-term debt	16,597,516	18,544
Compensated absences	5,071,985	370,655
Net pension liability	12,519,931	1,364,877
Total OPEB liability	11,007	1,199
Total liabilities	39,119,788	4,511,303
DEFERRED INFLOWS OF RESOURCES		
Deferred amounts - pension related	1,243,281	135,538
Deferred amounts - OPEB related	1,143,701	124,682
Total deferred inflows of resources	2,386,982	260,220
NET POSITION		
Net investment in capital assets	63,425,626	54,563,571
Restricted for:		
Debt service	547,369	-
Public safety	3,732,226	-
Economic development	5,024,841	-
Capital projects	50,300	-
Unrestricted	20,034,673	19,393,812
Total net position	$ 92,815,035	$ 73,957,383

The accompanying notes are an integral part of these financial statements.

Primary Government	Component Unit
Total	Duncanville Community and Economic Development Corporation
$ 68,718,211	$ 6,474,902
10,721,993	606,989
227,249	-
-	-
13,090	-
843,019	-
1,065,867	-
24,540,050	219,637
102,716,236	784,511
127,256,286	1,004,148
208,845,715	8,086,039
3,715,706	-
489,290	-
4,204,996	-
3,107,187	131,789
1,553,590	29,119
77,216	-
600,406	-
921,141	-
-	60,328
962,292	-
409,660	-
43,885	-
16,616,060	-
5,442,640	-
13,884,808	-
12,206	-
43,631,091	221,236
1,378,819	-
1,268,383	-
2,647,202	-
117,989,197	1,004,148
547,369	-
3,732,226	-
5,024,841	6,860,655
50,300	-
39,428,485	-
$ 166,772,418	$ 7,864,803

CITY OF DUNCANVILLE, TEXAS

BALANCE SHEET - DISCRETELY PRESENTED COMPONENT UNIT

SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
ASSETS	
Cash and investments	$ 6,474,902
Accounts receivable	606,989
Total assets	7,081,891
LIABILITIES	
Accounts payable	131,789
Accrued liabilities	29,119
Total liabilities	160,908
FUND BALANCES	
Restricted for:	
Economic development	6,920,983
Total fund balance	6,920,983
Total liabilities and fund balance	$ 7,081,891

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE DISCRETELY PRESENTED COMPONENT UNIT
BALANCE SHEET TO THE STATEMENT OF NET POSITION

SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
Total Fund Balance - Component Unit	$ 6,920,983
Amounts reported for the component unit in the statement of net position are different because:	
Capital assets used in the component unit are not current financial resources and therefore are not reported in this fund financial statement. These consist of:	
Land	219,637
Buildings	906,133
Equipment	12,898
Accumulated depreciation	(134,520)
The investment in joint venture is not a current financial resource and therefore is not reported in the fund financial statement.	(60,328)
Net Position of Component Unit	$ 7,864,803

CITY OF DUNCANVILLE, TEXAS

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
DISCRETELY PRESENTED COMPONENT UNIT

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
REVENUES	
Sales tax	$ 3,506,620
Investment earnings	96,424
Miscellaneous revenue	64,511
Total revenues	3,667,555
EXPENDITURES	
Current:	
Economic development	4,020,388
Total expenditures	4,020,388
Excess (deficiency) of revenues over (under) expenditures	(352,833)
FUND BALANCE - BEGINNING	7,273,816
FUND BALANCE - ENDING	$ 6,920,983

CITY OF DUNCANVILLE, TEXAS

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF THE DISCRETELY PRESENTED COMPONENT UNIT TO THE STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED SEPTEMBER 30, 2025

	Duncanville Community and Economic Development Corporation
Net Change in Fund Balances - Component Unit	$ (352,833)
Amounts reported for the component unit in the statement of activities are are different because:	
Capital asset additions are recorded as expenditures in the fund financial statements.	12,898
The fund financial statements do not present revenues that are not available to pay current obligations. In contrast, such revenues are reported in the Statement of Activities when earned.	(429)
Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds.	
Depreciation	(18,230)
Changes in Net Position of Component Unit	$ (358,594)

STAFF REPORT

MEETING: Community and Economic Development Corporation - April 27, 2026

TITLE:
Discuss and consider the proposed sale of the Duncanville Community and Economic Development Corporation's ownership share of Main Station LTD located at 100 S Main Street to the majority partner.

Vision Statement:
“Duncanville, a City of Champions, is a safe, vibrant, diverse community committed to excellence in education, business, and good governance.”

Pillar:
Resilliant Community & Economic Development

STAFF RESPONSIBLE:
Marlon Goff

BACKGROUND/HISTORY:
Project Origins and Development Context

Main Station Duncanville, Ltd. was organized as a Texas limited partnership pursuant to the Agreement of Limited Partnership dated April 25, 2003. The project it was formed to develop — Main Station Railroad Flats — is a two-story mixed-use building containing approximately 22,000 square feet of office, retail, restaurant, and residential loft space, situated on Lot 1, Block A of Main Station Addition in the City of Duncanville, Dallas County, Texas (Volume 2003018, Page 00039, Dallas County Map Records).

The General Partner of the Partnership is MARA Inc., a Texas corporation, with Monte Anderson serving as President. The Duncanville Community and Economic Development Corporation (DCEDC), a Texas non-profit corporation, entered the partnership as a Limited Partner — a deliberate structure reflecting DCEDC's statutory authority under Chapter 505 of the Texas Local Government Code to invest in projects that generate economic activity and tax revenue within the City. The Partnership Agreement was signed on behalf of DCEDC by Sherrielan Davis, Vice-President, and Jeminale Crawford Farlicks, Board Secretary.

The economic motive for public participation was a fundamental market gap. South Main Street commercial rents at the time of development were approximately $6.00 per square foot annually, while the project's pro forma required rents of $14.00–$16.00 per square foot to justify the cost of new construction. Very few private developers or investors are positioned to bridge that gap without incentives. The DCEDC's equity commitment helped make the project financially feasible, functioning as a structured subsidy that converted an unviable development into a catalyst for downtown Duncanville.

DCEDC Capital Contribution and Ownership Interest

Per Schedule A of the Partnership Agreement, DCEDC committed a total capital contribution of $805,093.00 in exchange for a 32% limited partnership interest — an interest that, per Section 6.2A of the Agreement, may not be reduced without DCEDC's express consent. The Anderson General Partner Group (MARA Inc. as General Partner, plus Monte and Rosa Anderson as limited partners) held a combined 68% interest, with Monte and Rosa Anderson's 67% limited partner share structured to allow partial transfer to incoming investors under controlled conditions (Section 5.2C).

- DCEDC's $805,093 contribution was structured in five components under Section 6.1B of the Partnership Agreement, as follows:

- The land component consisted of DCEDC conveying the project site to the Partnership via Special Warranty Deed. Though appraised at $182,000 at the time of contribution — DCEDC having purchased the land from the City of Duncanville at that price — the Partners stipulated a value of $125,000 for purposes of the Partnership Agreement. The remaining components were cash contributions: $85,500 in professional fee reimbursements (architecture, engineering, permits, legal, and appraisal costs incurred prior to execution); $215,000 for interior finish of retail and restaurant space, drawn after construction loan proceeds were exhausted; $295,317 in periodic construction draw contributions (equal to 16.4% of each approved lender draw request after the Non-Bank Loan funded $200,000); and $84,276 applied to prepaid interest on the Construction Loan at closing.

Construction Financing and 2016 Refinancing

The original construction financing consisted of two loans. The primary secured bank loan of up to $1,500,000 was obtained from the Bank of DeSoto. A secondary non-bank loan of up to $500,000 was provided by Options Real Estate Investments, Inc. (an affiliate of the General Partner), which was unsecured. Combined, these instruments constituted the Construction Loan under which DCEDC's periodic cash contributions were structured.

In 2016, the Partnership refinanced its outstanding debt. On December 6, 2016, the

Duncanville City Council approved Resolution No. 2016-12065B, authorizing the DCEDC Board to refinance Main Station in the amount of $1,500,000 (plus accrued interest) for a term of 60 months with Texas Brand Bank. All partners — including DCEDC, represented by then-DCEDC Board President Barry Calderon — executed a Certification and Authorization confirming MARA Inc.'s authority as General Partner to execute the refinancing documents on behalf of the Partnership. The Harmony Bank obligations referenced in the 2025 buyout calculation represent the successor debt from that 2016 Texas Brand Bank refinance (Loan #1: $1,136,000; Loan #2: $127,000).

The Partnership Agreement established a term running through December 31, 2032, unless sooner terminated (Section 2.3). Section 15.14 of the Agreement further provides a buy-sell mechanism available to either the General Partner Group or DCEDC after the tenth anniversary of the certificate of occupancy — a provision that has been available to both parties for well over a decade.

Appraised Value History and Tax Generation

At project completion, the property was appraised at approximately $1,800,000 by the Dallas Central Appraisal District — below total project cost, consistent with the above-market rent subsidy baked into the development model. Since the 2004 tax year, the property has carried a certified taxable value on the DCAD rolls each year. The full **year-by-year taxable value history for 2004–2025** is set forth in Exhibit A to this report, along with estimated **ad valorem tax generated for each taxing jurisdictio**n (City of Duncanville, Duncanville ISD, Dallas County, Dallas County Community College District, and Parkland Hospital District).

The property's valuation history reflects the full commercial real estate cycle: values peaked near $2,600,000 in 2007, declined through the 2008–2015 post-recession period to a trough of $1,670,310, and subsequently recovered to $2,590,000 as of the 2024 and 2025 tax years. Over 22 years, Main Station has been an active contributor to the combined ad valorem tax base of all five taxing jurisdictions served by the property.

Valuation Analysis and Buyout Negotiations (2025)

In mid-2025, Options Real Estate initiated buyout discussions with DCEDC staff, referencing a commercial investment property analysis prepared by Marcus & Millichap — one of the leading national investment property brokerage firms. On August 13, 2025, Monte Anderson communicated his proposal to then-Economic Development Director Victor Barrera, proposing a sale price of $4,335,000, described as the midpoint between Valbridge Appraisers and Marcus & Millichap's high and low valuations determinations for the property under an NNN (triple-net) investment analysis.

Property Value:	$4,335,000
Closing Costs (7%)	$303,450
Security Deposits	$19,900
Harmony Bank — Loan #1	$1,136,000
Harmony Bank — Loan #2	$127,000

Original Options RE Loan	$371,000
Accrued Interest on Options RE Loan	$283,594
Net Value to Partners	$2,094,056
DCEDC's 32% Share of Net Value	$670,097.92
Negotiated Buyout for DCEDC Shares:	**$695,000.00**

Over 22 tax years, the property has generated continuous ad valorem tax revenue for the City of Duncanville, Duncanville ISD, Dallas County, Dallas County Community College District, and Parkland Hospital District. It has anchored Main Street and supported the broader economic objectives of the DCEDC within a corridor that was underperforming at the time of the original investment. The **City of Duncanville** has **collected an estimated $1.3 Million** in **combined property tax** and **sales tax revenue from this development site** over this period of two decades.

Proposed Actions and Next Steps:

1. Provide feedback and direction on the proposed sale of DCEDC ownership share of Main Station LTD
2. Staff will bring formal agreement for consideration of approval at the May 18, 2026, DCEDC Meeting.

POLICY EXPLANATION:

FUNDING SOURCE:

ORG and Object Number

N/A

Available Budget	**Purchase Amount**	**After Encumber**
N/A	N/A	N/A

ACTION ALTERNATIVES:

1. Approve
2. Disapprove
3. Other actions as directed by the DCEDC.

ATTACHMENTS:

2003-04-25 Agreement of Limited Partnership for Main Station Duncanville, LTD, Reso No 2016-12065B - Refinance Main Station, TX03-24-1275 Duncanville Main Station, FA

- Main Station[2], MainStation_TaxRevenue_Estimate

AGREEMENT OF LIMITED PARTNERSHIP

FOR

MAIN STATION DUNCANVILLE, LTD.

MARA Inc., a Texas corporation (the "Company"), as General Partner, and the Persons identified as limited partners on Schedule A attached hereto, as Limited Partners, hereby form and establish a limited partnership (the "Partnership") pursuant to the Revised Limited Partnership Act of the State of Texas by entering into this Agreement of Limited Partnership for Main Station Duncanville, Ltd. dated as of April 25, 2003.

NOW, THEREFORE, the Company, as General Partner, and the persons identified as limited partners on Schedule A attached hereto, as Limited Partners, do hereby adopt, ratify and approve this Agreement of Limited Partnership for Main Station Duncanville, Ltd.

ARTICLE I.

DEFINITIONS

Act. The Texas Revised Limited Partnership Act, Article 6132a-1, Texas Revised Civil Statutes, as from time to time amended.

Affiliate. Any Person that directly (or indirectly through one or more intermediaries) controls, is controlled by, or is under common control with, another Person.

Agreement. This Agreement, including Schedule A and Schedule B, as originally executed and as subsequently amended from time to time.

Approval of the Partners or *Approved by the Partners.* Partners holding eighty percent (80%) of the total Interests in the Partnership.

Approved Budget. A pro forma line item budget of all costs and expenses, including debt service, anticipated to be required to operate and maintain the assets of the Partnership for the period of time covered by the budget, that has been Approved by the Partners.

Approved Plans. The plans and specifications for the Project prepared by McCarthy Hammers Architects, Job No. 02018, dated November 25, 2002.

Assignment of Partnership Interests. That certain Assignment, Pledge and Security Agreement to Secure Performance dated of even date herewith, executed by the Company and Monte and Rosa Anderson for the benefit of DCEDC.

Bankruptcy. Bankruptcy under the federal Bankruptcy Code or insolvency under any state insolvency act.

Business Day. Any day other than a Saturday, Sunday and those legal public holidays specified in 5 U.S.C. § 6103(a), as amended from time to time.

Capital Account. The capital account maintained for each Partner pursuant to Section 6.4 of this Agreement.

Capital Contribution. The total amount of cash or the fair market value of property contributed to the Partnership by all the Partners or any one Partner, as the case may be.

Certificate. The Certificate of Limited Partnership for the Partnership, filed with the Secretary of State of Texas as required by the Act and as provided by this Agreement.

Code. The Internal Revenue Code of 1986, as it has been and may be amended from time to time.

Company. MARA Inc., a Texas corporation.

Construction Loan. The loans to be made to the Partnership not to exceed the aggregate amount of $2,000,000.00, with the proceeds of the Construction Loan to be used to pay for the construction of the Project on the Land in accordance with the Approved Plans. The Construction Loan will be comprised of two loans: (i) a loan in an amount no less than $1,500,000.00 from the Bank of DeSoto (the "Bank Loan"); and (ii) a loan in an amount not to exceed $500,000.00 from Options Real Estate Investments, Inc. (the "Non-Bank Loan"). The Bank Loan will be secured by, among other things, a lien against the Real Property. The Non-Bank Loan will be unsecured.

DCEDC. Duncanville Community and Economic Development Corporation, a Texas non-profit corporation.

General Partner. The Company or any successor General Partner admitted pursuant to Article XI of this Agreement.

General Partner Group. The General Partner, any and all of its Affiliates that own Interests in the Partnership, any transferees who obtain Interests in the Partnership, pursuant to

Section 5.2C of this Agreement, from Monte and Rosa Anderson, and the heirs, successors, and assigns of all of the foregoing Persons.

Interest. All rights and interests of a Partner under this Agreement and the Act, including (i) the right of a Partner, expressed as a percentage on Schedule A, to receive distributions of revenues, allocations of income and loss and distributions of liquidation proceeds under this Agreement, and (ii) all voting rights or rights to consent set forth in this Agreement.

Land. The land situated in the City of Duncanville, Dallas County, Texas, being more particularly described on Schedule B attached hereto.

Limited Partners. The Persons identified as limited partners on Schedule A and any Persons subsequently admitted as Limited Partners under the terms of this Agreement.

Notification. A writing containing any information required by this Agreement communicated to any Person, which may be personally delivered, sent by registered or certified mail, postage prepaid, return receipt requested, or sent by facsimile transmission if promptly confirmed by registered or certified mail, to such Person, at the last known address of such Person on the Partnership records. Any such Notification shall deemed to be given (i) when delivered, in the case of personal delivery, (ii) upon the earlier of receipt or three (3) business days after the date on which it is deposited in a regularly maintained receptacle for the deposit of United States mail, addressed and sent as aforesaid, in the case of registered or certified mail, and (iii) upon receipt by the addressee, in the case of facsimile transmission. Any communication containing information sent to any Person other than as required by the foregoing sentences, but which is actually received by such Person, shall constitute Notification as of the date of such receipt for all purposes of this Agreement.

Operating Expenses. The costs, expenses, or charges incurred by the Partnership in holding, owning and operating the Partnership Property, including without limitation, taxes, interest and third party debt amortization, insurance premiums, repairs, maintenance, management fees, advertising expenses, professional fees, wages, utility costs, and all other expenses reasonably incurred in the day-to-day operation of the Partnership's business.

Partners. At any time, the Persons who then own Interests in the Partnership. The initial Partners are listed on Schedule A.

Partnership. Main Station Duncanville, Ltd., the limited partnership created and existing pursuant hereto.

Partnership Property or Properties. All interests, properties, and rights of any type owned by the Partnership, whether owned by the Partnership at the date of its formation or thereafter acquired, including, without limitation, the Real Property.

Person. Any natural person, limited liability company, general partnership, limited partnership, corporation, joint venture, trust, business trust, cooperative, or association.

Project. A two-story building containing approximately 22,000 square feet of office, retail, and residential space, with retail space and lofts or apartments for lease on the second floor and office and retail space for lease on the first floor, together with all parking areas and utilities serving such building.

Real Property. The Land; all buildings, structures and other improvements from time to time constructed, installed, or situated on the Land, including, without limitation, the Project, and any renovations thereto or replacements thereof; and all right, title, and interest of the Partnership in and to adjacent alleys, streets, easements, or rights of way serving or benefitting such property.

Schedule A. The schedule attached hereto and labeled Schedule A.

Schedule B. The schedule attached hereto and labeled Schedule B.

Transfer. Any change in the record ownership of an Interest, whether made voluntarily or involuntarily by operation of law, including, but not limited to, the following:

1. a sale or gift to any Person;

2. a transfer to the personal representative of the estate of a Partner upon such Partner's death, and any subsequent transfer from such personal representative to the heirs or devisees of the deceased Partner under his will or by the laws of descent and distribution;

3. a transfer to a judicially appointed personal representative as a result of the adjudication by a court of competent jurisdiction that the transferor Partner is mentally incompetent to manage his person or property;

4. a transfer to the transferor Partner's spouse or former spouse, or heirs of such spouse or former spouse, in connection with a division of their community or other property upon the death of the transferor Partner, divorce or the death of such spouse;

5. a general assignment for the benefit of creditors, or any assignment to a creditor resulting from the creditor's foreclosure upon or execution against such Interest;

6. the filing by the transferor Partner of a voluntary Bankruptcy petition; or

7. the entry of a judicial order granting the relief requested by the petitioner in an involuntary Bankruptcy proceeding filed against the transferor Partner.

ARTICLE II.

THE PARTNERSHIP

Section 2.1 *Formation of Partnership*. The Partners hereby agree to establish a limited partnership, effective as of the date hereof, on the terms of this Agreement. The General Partner filed a Certificate of Limited Partnership on October 30, 2002. This Agreement is intended to amend and restate any prior oral or written partnership agreement for the Partnership and is to be effective as of the date hereof. The Partners acknowledge that DCEDC was not a party to such prior partnership agreement and DCEDC was not a Partner prior to the date hereof. The General Partner shall additionally comply with all other legal requirements for the formation and operation of the Partnership. Except as herein stated, the Act shall govern the rights and liabilities of the Partners.

Section 2.2 *Qualification in Other Jurisdictions*. Prior to the Partnership conducting business in any jurisdiction other than Texas, the General Partner shall cause the Partnership to comply, to the extent those matters are reasonably within the control of the General Partner, with all requirements necessary to qualify the Partnership as a foreign limited partnership in that jurisdiction. At the request of the General Partner, each Partner shall execute, acknowledge, swear to, and deliver all certificates and other instruments conforming with this Agreement that are necessary or appropriate to qualify, continue and terminate the Partnership as a foreign limited partnership in all such jurisdictions in which the Partnership may conduct business.

Section 2.3 *Term*. Pursuant to the Act, the term of the Partnership commenced upon the date of the filing of the Certificate. The Partnership shall exist until December 31, 2032, unless sooner terminated in accordance with this Agreement.

Section 2.4 *Merger*. The Partnership may merge with or into another limited partnership or other entity, or enter into an agreement to do so, subject to the requirements of Section 10.2.

Section 2.5 *References to Limited Partners*. The General Partner shall make every effort to ensure that the parties who deal with the Partnership do not believe that any of the

Limited Partners is a general partner. All references to the Limited Partners' involvement in the Partnership's business shall clearly identify that status.

ARTICLE III.

NAME; PLACE OF BUSINESS; REGISTERED OFFICE AND AGENT

Section 3.1 *Name*. The name of the Partnership is "Main Station Duncanville, Ltd." The Real Property shall be held in the name of the Partnership.

Section 3.2 *Assumed Names*. The General Partner shall cause the Partnership to do business under the name "Main Station Duncanville, Ltd." and shall not do business under any assumed names without Approval of the Partners. In connection with the use of any such assumed names, the General Partner shall cause the Partnership to comply with the Texas Assumed Business or Professional Name Act, as amended.

Section 3.3 *Registered Office; Registered Agent; Principal Office in the United States; Other Offices*. The registered office of the Partnership required by the Act to be maintained in the State of Texas shall be 1801 North Hampton Road, Suite 400, DeSoto, Texas 75115, or such other office (which need not be a place of business of the Partnership) as the General Partner may designate from time to time by notice to the Partners and in the manner provided by law. The registered agent of the Partnership in the State of Texas shall be Monte Anderson, or such other Person or Persons as the General Partner may designate from time to time in the manner provided by law. The principal office of the Partnership in the United States shall be 1801 North Hampton Road, Suite 400, DeSoto, Texas 75115, or such other place within the State of Texas as the General Partner may designate from time to time, and the Partnership shall maintain records there as required by Section 1.07 of the Act and shall keep the street address of such principal office at the registered office of the Partnership in the State of Texas. The Partnership may have such other offices as the General Partner may designate from time to time.

ARTICLE IV.

PURPOSE

The purpose of the Partnership is (a) to acquire the Land, (b) to improve the Land by construction of the Project in accordance with the Approved Plans, (c) to own, develop, lease, manage, and sell the Real Property, (d) to borrow money for the construction and development of the Project, and (e) to take any other action that may be incidental, proper, advisable, or convenient to accomplish the foregoing purposes and that is not forbidden by the law of the jurisdiction in which the Real Property is located. Except for the foregoing, the Partnership shall not engage in any other business or activity without the Approval of the Partners.

ARTICLE V.

PARTNERS

Section 5.1 *Initial Partners.* The names and addresses of the initial Partners of the Partnership are as set forth on Schedule A of this Agreement. At the date hereof, there are no other Partners of the Partnership, and no other Person has any right to take part in the ownership or management of the Partnership.

Section 5.2 *Admission of Additional Partners.* Additional Partners of the Partnership may be admitted as follows:

A. If the proposed additional Partner desires to purchase his Interest from the Partnership, such purchase may be made and the admission of the additional Partner shall become effective only if the identity of the proposed additional Partner and the amount of the Capital Contribution to be made by him in exchange for his Interest is first unanimously approved by the existing Partners.

B. If the proposed additional Partner desires to acquire his Interest in a Transfer from an existing Partner, such Transfer may be made and the admission of the additional Partner shall become effective only in accordance with Sections 11.2, 11.3, and 11.4 hereof; provided, however, that a Transfer of an Interest pursuant to or in connection with the Assignment of Partnership Interests shall be exempt from such requirements to the extent provided in Section 11.10 hereof. All other attempted Transfers of any interest or right, or any part thereof, in or in respect of the Partnership, shall be null and void *ab initio*.

C. The Partners acknowledge the intent of Monte and Rosa Anderson to sell part of their sixty-seven percent (67%) Interest as Limited Partners in the Partnership to one or more existing Partners or to one or more new Partners. Notwithstanding Sections 5.2A and 5.2B above, the Partners hereby consent to any Transfer or Transfers by Monte and Rosa Anderson of their Interests as Limited Partners so long as Monte and Rosa Anderson do not convey, in the aggregate, more than eighteen percent (18%) of the total outstanding Interests in the Partnership. Such Interests of Monte and Rosa Anderson shall be transferred by execution by the transferee of an agreement adopting this Agreement, and assuming the rights, powers, obligations, restrictions, and liabilities of Monte and Rosa Anderson as a Limited Partner under this Agreement with respect to the Interest transferred and upon execution of such agreement the transferee shall be deemed admitted as a Limited Partner without the requirement of any action by the other Partners; provided, however, that the transferee expressly will not assume the rights, powers, obligations, restrictions, and liabilities of MARA Inc., as General Partner, in connection with the acquisition of such Interests.

ARTICLE VI.

CAPITAL CONTRIBUTIONS AND INTERESTS

Section 6.1 Contributions.

A. *Capital Contributions.* Each Partner shall contribute to the capital of the Partnership the amount set forth as such Partner's Capital Contribution on Schedule A. Such Capital Contribution shall be in the form of cash, real property interests, or services rendered to the Partnership, as specified in this Article VI and on Schedule A.

B. *DCEDC Contributions.* DCEDC shall, simultaneously with the execution of this Agreement, execute a special warranty deed conveying the Land to the Partnership (the "Land Contribution"). DCEDC has obtained an appraisal indicating that the value of the Land is $182,000.00, and DCEDC purchased the Land from the City of Duncanville for a purchase price of $182,000.00. Notwithstanding the foregoing, the Partners hereby stipulate that the agreed value of the Land Contribution for the purpose of this Agreement is $125,000.00. In addition, DCEDC will, as the remaining portion of its Capital Contribution, provide certain professional fee reimbursements, the interior finish contribution and cash contributions, more particularly described as follows:

1. *Professional Fee Reimbursements.* Prior to the date hereof, DCEDC has paid architect fees, engineering fees, permit fees, appraisal fees, legal fees, and fees to Options Real Estate Investments, Inc. incurred by the Partnership in connection with the completion of the Project in the aggregate amount of $85,500.00. DCEDC will not be required to pay any additional amounts for professional fees incurred by the Partnership as part of its capital contribution.

2. *Interior Finish Contribution.* DCEDC shall contribute $215,000.00 toward the cost of the interior finish for retail and restaurant space in the Project; provided, however, such contribution shall not be paid until the Partnership has exhausted all funding under the Construction Loan. It is expressly understood and agreed that the General Partner may use DCEDC's finish contribution for any retail or restaurant space without restrictions as to any particular tenant. At such time as the Partnership has exhausted all funding under the Construction Loan, the General Partner shall submit to DCEDC a draw request, together with (a) invoices of the general contractor aggregating at least the amount requested for costs which were not paid from draws under the Construction Loan or previous payments by DCEDC, and (b) final lien waivers and/or releases of liens from the general contractor and all subcontractors associated with the interior finish work (collectively, the "Construction Documentation") to evidence that all interior finish costs for such tenant's space have been paid through the date of such draw request. The interior finish contribution shall be paid by DCEDC to the Partnership

no later than (10) days following receipt of the Construction Documentation. DCEDC shall not be required to pay more than $215,000.00 in the aggregate for interior finish costs incurred by the Partnership. If, upon completion of the interior finish for all the restaurant and retail space for the Project, DCEDC has contributed less than $215,000.00 for interior finish costs, then DCEDC shall contribute to the Partnership the difference between (i) $215,000.00, and (ii) the amount previously contributed to the Partnership for interior finish costs, for use by the Partnership for other Operating Expenses.

3. *Additional Cash Contributions.*

(a) *Periodic Cash Contributions.* In addition to the interior finish contribution described in Section 6.1B.2 above, DCEDC shall contribute to the Partnership an additional $295,317.00, in the aggregate, during construction of the Project, at the times and in the amounts described below. The first $200,000.00 required for construction of the Project shall be funded by proceeds of the Non-Bank Loan, and DCEDC shall have no obligation to fund any portion of such construction costs. The General Partner shall deliver to DCEDC copies of draw requests to the lender on the Non-Bank Loan, evidencing the funding of at least $200,000.00 under the Non-Bank Loan. After at least $200,000.00 of construction costs have been funded under the Non-Bank Loan, DCEDC shall pay to the Partnership 16.4% of the amount of each draw request thereafter submitted by the Partnership to, and approved for funding by, the Lenders, to be paid as hereafter described. The General Partner shall deliver to DCEDC copies of such draw request submitted to, and approved for funding by, the lenders under the Bank Loan and the Non-Bank Loan (collectively the "Lenders"), together with all supporting documentation for such request required by Lenders (collectively, "the Draw Request") including, without limitation, all Construction Documentation for the work described in the Draw Request. No later than ten (10) days following DCEDC's receipt of such Draw Request and Construction Documentation, DCEDC shall pay to the Partnership 16.4% of the total amount submitted by the Partnership to, and approved for funding by, the Lenders, as set forth on the Draw Request. DCEDC's cash contribution pursuant to this paragraph shall in no event exceed $295,317.00. If, at such time as the entire loan amount under the Construction Loan has been funded, DCEDC has contributed less than $295,317.00 pursuant to this paragraph, then DCEDC shall contribute to the Partnership the difference between (i) $295,317.00, and (ii) the amount previously contributed to the Partnership pursuant to this paragraph, for use by the Partnership for other Operating Expenses.

(b) *Prepaid Interest Contribution.* Simultaneously with the closing of the Construction Loan, DCEDC shall make a cash contribution to the Partnership equal to $84,276.00, which will be applied by the Partnership to the payment of prepaid interest on the Construction Loan. If the prepaid interest required under the Construction Loan exceeds $84,276.00, the excess amount payable to Lender at closing shall be paid by the Partnership. If the prepaid interest required to be paid on the Construction Loan is less than $84,276.00, the

excess of (i) the amount contributed by DCEDC for prepaid interest, over (ii) the actual amount of prepaid interest, shall be used by the Partnership for other Operating Expenses.

4. *Basement.* All of the Partners acknowledge that they have been advised of the existence of an underground basement on the Land. The Partners do not anticipate that the existence of the basement will impede the construction of the Project in accordance with the Approved Plans or add any additional, unforeseen costs. In the event the Partnership reasonably believes, at any time during construction of the Project, that additional excavation or fill work is necessary as a direct result of the existence of the basement, DCEDC shall reimburse the Partnership for the reasonable cost of such work to the extent Partnership funds or loan proceeds from the Construction Loan are not available for such work.

By execution of this Agreement, the Partners hereby stipulate that the aggregate of the agreed value of DCEDC's Land Contribution, the professional fee reimbursements, the interior finish contribution, and the additional cash contributions is $805,093.00, which entitles DCEDC to the Percentage Interest set forth on Schedule A, regardless of the timing of the payment of such contributions.

C. *Construction Loan.* DCEDC's obligation to make the Land Contribution set forth in Section 6.1B above shall be conditioned upon the Company's ability to obtain the Construction Loan for the Project. The terms of the Construction Loan shall be subject to the Approval of the Partners. The Partners agree that DCEDC shall not be required to guarantee the Construction Loan. The satisfaction of this condition shall be evidenced by the closing and funding of the Construction Loan. If satisfaction of such condition does not occur on or before sixty (60) days following the date hereof, DCEDC may at any time thereafter elect to dissolve the Partnership by delivery of written notice to the Company. In the event of such election by DCEDC, the Partnership shall execute a special warranty deed conveying the Land back to DCEDC, and the Partners shall have no further obligations hereunder.

Section 6.2 Interests.

A. *Percentage Interests.* Upon making the Land Contribution by DCEDC, DCEDC shall own the respective percentage Interest set forth opposite its name on Schedule A. Upon the closing of the Construction Loan, Monte and Rosa Anderson shall own the respective percentage Interest set forth opposite their names on Schedule A. Upon making the Capital Contribution specified on Schedule A by the Company, the Company shall own the respective percentage Interest set forth opposite its name on Schedule A. The percentage Interest of each Partner may not be reduced without such Partner's consent.

B. *Certificates Representing Interests.* The Interests of the Partners may be evidenced by certificates issued by the Partnership, which, if issued, shall be in such form, and

incorporate such legends, recitals and provisions, as the General Partner shall deem necessary or advisable. If certificates are issued, the General Partner shall establish reasonable procedures for the delivery and re-issuance of certificates in connection with Transfers of Interests, split-ups or combinations of certificates, loss or destruction of certificates, and other eventualities. Among other matters, such procedures may set forth required fees, indemnifications, documentation, and signatures (including guarantees thereof) to be obtained from parties requesting re-issuance of certificates. Such procedures need not be incorporated into this Agreement, but a copy thereof shall be delivered to the Partners.

Section 6.3 No Further Capital Contributions.

A. No Partner shall be obligated to make any Capital Contribution other than that set forth opposite such Partner's name on Schedule A unless additional Capital Contributions are Approved by the Partners for some reasonable business purpose. Without the Approval of the Partners, the General Partner shall not permit or accept any Capital Contributions by any Partner beyond those specified on Schedule A. This provision of this Agreement may not be amended without the Approval of the Partners.

B. In the event that an additional Capital Contribution is Approved by the Partners for some reasonable business purpose as provided above, notice thereof will promptly be sent to all Partners. Within thirty (30) days of such notice (or such other time period as may be Approved by the Partners), each Partner will make its proportionate share of such Capital Contribution (based on its respective percentage Interest) to the Partnership in immediately available funds or in accordance with such other payment terms as may be specified in such notice. If any Partner fails to make such additional Capital Contribution, then such Partner's Interest shall be proportionately reduced to reflect the reduced percentage of the total Capital Contributions that such Partner's total Capital Contributions then represent. In addition, all amounts that would otherwise be distributed by the Partnership to the defaulting Partner will instead be distributed proportionately to the Partner(s) who increase their additional Capital Contributions to make up the shortfall caused by such default, until such time as such Partners have been repaid the full amount of such shortfall, plus interest at the rate of fifteen percent (15%) per annum (such shortfall, plus interest thereon, being collectively referred to as the "Preferred Yield") on such amount outstanding from time to time, until such Partners have been repaid in full.

Section 6.4 Capital Accounts. A capital account shall be established and maintained for each Partner. Each Partner's capital account (a) shall be increased by (i) the amount of money contributed by that Partner to the Partnership, (ii) the fair market value of any property contributed by that Partner to the Partnership (net of liabilities secured by the contributed property at the time of contribution that the Partnership is considered to assume or take subject to under Section 752 of the Code), and (iii) allocations to that member of Partnership income and

gain (or items thereof), including income and gain exempt from tax and income and gain described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding income and gain described in Treas. Reg. § 1.704-1(b)(4)(i), and (b) shall be decreased by (i) the amount of money distributed to that Partner by the Partnership, (ii) the fair market value of any property distributed to that member by the Partnership (net of liabilities secured by the distributed property at the time of distribution that the member is considered to assume or take subject to under Section 752 of the Code), (iii) allocations to that Partner of expenditures of the Partnership described in Section 705(a)(2)(B) of the Code, and (iv) allocations of Partnership loss and deduction (or items thereof), including loss and deduction described in Treas. Reg. § 1.704-1(b)(2)(iv)(g), but excluding items described in clause (b)(iii) above and loss or deduction described in Treas. Reg. § 1.704-1(b)(4)(i) or § 1.704-1(b)(4)(iii). The Partners' capital accounts also shall be maintained and adjusted as permitted by the provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(f) and as required by the other provisions of Treas. Reg. §§ 1.704-1(b)(2)(iv) and 1.704-1(b)(4), including adjustments to reflect the allocations to the Partners of depreciation, depletion, amortization, and gain or loss, as computed for book purposes rather than the allocation of the corresponding items as computed for tax purposes, as required by Treas. Reg. § 1.704-1(b)(2)(iv)(g). A Partner that has more than one Interest shall have a single capital account that reflects all its Interests, regardless of the class of Interests owned by that Partner and regardless of the time or manner in which those Interests were acquired. On the transfer of all or part of an Interest, the capital account of the transferor that is attributable to the transferred Interest or part thereof shall carryover to the transferee Partner in accordance with the provisions of Treas. Reg. § 1.704-1(b)(2)(iv)(l).

Section 6.5 Return of Capital Contributions. Except as otherwise provided herein or in the Act, no Partner shall have the right to withdraw, or receive any return of, his Capital Contribution.

Section 6.6 Interest. No interest shall be paid by the Partnership on Capital Contributions or on balances in Partners' Capital Accounts.

Section 6.7 Loans From Partners. Loans by a Partner to the Partnership ("Partner Loans") shall not be considered Capital Contributions. If any Partner shall make a Partner Loan to the Partnership, the making of such Partner Loan shall not result in any increase in the amount of the Capital Account of such Partner. Partner Loans shall be a debt of the Partnership to such Partner and shall be payable or collectible only out of the Partnership assets in accordance with the terms and conditions upon which such advances are made. The repayment of Partner Loans to the Partnership upon liquidation shall be subject to the order of priority set forth in Section 13.4 hereof.

ARTICLE VII.

ALLOCATIONS AND DISTRIBUTIONS

Section 7.1 Allocation of Income and Loss.

A. Except as may be required by Section 704(c) of the Code and Treas. Reg. § 1.704-1(b)(2)(iv)(f)(4), the income, gains, losses, deductions, and credits (or items thereof) of the Partnership shall be shared by the Partners in accordance with their respective percentage Interests; provided, however, that if an additional Capital Contribution is Approved by the Partners, and one or more Partners fail to make the additional Capital Contribution, the distributions of income shall be modified in accordance with Section 6.3. It is the intention of the Partners that allocations of income, gains, losses, deductions, and credits (or items thereof) pursuant to this Section 7.1 be in accordance with the Partner's Interests for tax purposes.

B. All items of income, gain, loss, deduction, and credit allocable to any Interest that may have been transferred shall be allocated between the transferor and the transferee based on the portion of the calendar year during which each was recognized as owning that Interest, without regard to the results of Partnership operations during any particular portion of that calendar year and without regard to whether cash distributions were made to the transferor or the transferee during that calendar year; provided, however, that this allocation must be made in accordance with a method permissible under Section 706 of the Code and the regulations thereunder.

Section 7.2 Determination of Income and Loss. At the end of each fiscal year of the Partnership, income, gain, loss, deduction, and credit (or items thereof) shall be determined for the accounting period then ending and shall be allocated to the Partners in accordance with Section 7.1.

Section 7.3 Cash Distributions. Commencing no later than the end of the Partnership's first fiscal quarter, the General Partner shall, at least quarterly, balance the Partnership's accounts and distribute to the Partners, in accordance with their respective Interests, the amount by which cash on hand exceeds the amount necessary to meet the current costs, expenses, and liabilities of the Partnership (including, without limitation, a reasonably adequate reserve for working capital and contingencies). The Partnership shall not make any distribution to the Partners if, immediately after giving effect to the distribution, all liabilities of the Partnership, other than liabilities to Partners with respect to their Interests and liabilities for which the recourse of creditors is limited to specified property of the Partnership, exceed the fair value of Partnership Property, except that the fair value of Partnership Property that is subject to a liability for which recourse of creditors is limited shall be included in the Partnership assets only to the extent that the fair value of that Partnership Property exceeds that liability.

Section 7.4 Distributions of Other Property. From time to time, the General Partner also may cause property of the Partnership other than cash to be distributed to the Partners, which distribution must be made in accordance with the Partners' respective Interests and may be made subject to existing liabilities and obligations. Immediately prior to such distribution, the capital accounts of the members shall be adjusted as provided in Treas. Reg. § 1.704-1(b)(2)(iv)(f).

ARTICLE VIII.

OWNERSHIP OF PARTNERSHIP PROPERTY

Partnership Property shall be deemed to be owned by the Partnership as an entity, and no Partner, individually or collectively, shall have any ownership interest in such Partnership Property or any portion thereof. All Partnership Property, both real and personal, presently owned or hereafter acquired by the Partnership, shall be held in the name of the Partnership.

ARTICLE IX.

FISCAL MATTERS; BOOKS AND RECORDS

Section 9.1 Bank Accounts; Investments. Capital Contributions, revenues and any other Partnership funds shall be deposited by the General Partner in a bank account established in the name of the Partnership. No other funds shall be deposited into Partnership bank accounts. Funds deposited in the Partnership's bank accounts may be withdrawn only to pay Partnership debts or obligations or to be distributed to the Partners pursuant to this Agreement.

Section 9.2 Records Required by Act; Right of Inspection.

A. *Records Required.* During the term of the Partnership and for a period of four (4) years thereafter, the General Partner, at the expense of the Partnership, shall maintain in the Partnership's principal office in the United States specified in Section 3.3 hereof all records required to be kept pursuant to the Act, including, without limitation, a current list of the names, addresses and Interests held by each of the Partners (including the dates on which each of the Partners became a Partner), copies of federal, state and local information or income tax returns for each of the Partnership's six (6) most recent tax years, copies of this Agreement and the Certificate, including all amendments or restatements of each, and correct and complete books and records of account of the Partnership.

B. *Right of Inspection.* On written request stating the purpose, a Partner or an assignee of a Partner's Interest (an "Eligible Person") may examine and copy in person or by the Eligible Person's representative, at any reasonable time, for any proper purpose, and at the Eligible Person's expense, records required to be maintained under the Act and such other information regarding the business, affairs, and financial condition of the Partnership as is just and reasonable for the Eligible Person to examine and copy. Upon written request by any Eligible Person made to the General Partner at the address of the Partnership's principal office in the United States specified in Section 3.3 hereof, the Partnership shall provide to the Eligible Person without charge true copies of (i) this Agreement and the Certificate and all amendments or restatements of each, and (ii) any of the tax returns of the Partnership described in Section 9.2A. above.

Section 9.3 Books and Records of Account. The General Partner, at the expense of the Partnership, shall maintain for the Partnership adequate books and records of account that shall

be maintained on the cash method of accounting and on a basis consistent with appropriate provisions of the Code, containing, among other entries, a Capital Account for each Partner.

Section 9.4 Tax Returns and Information. The Partners intend for the Partnership to be treated as a partnership for tax purposes. The General Partner shall prepare or cause to be prepared all federal, state and local income and other tax returns that the Partnership is required to file. Within the shorter of (i) such period as may be required by applicable law or regulation, or (ii) seventy-five (75) days after the end of each calendar year, the General Partner shall send or deliver to each Person who was a Partner at any time during such prior year such tax information as shall be reasonably necessary for the preparation by such Person of his federal income tax return and state income and other tax returns.

Section 9.5 Delivery of Financial Statements to Partners.

A. *Financial Statements.*

1. *Annual Partnership Statements.* As to each fiscal year of the Partnership, the General Partner shall send to each Partner a copy of (i) a balance sheet of the Partnership as of the end of the fiscal year, (ii) an income statement of the Partnership for such year, and (iii) a statement showing the revenues distributed by the Partnership to Partners in respect of such year. Such financial statements shall be delivered no later than ninety (90) days following the end of the fiscal year to which the statements apply. Unless a Partner requests in writing, prior to the end of the fiscal year to which the financial statements apply, that the financial statements be audited (in which case Section 9.6 below shall apply), such statements need not be audited.

2. *Quarterly Financial Statements of the Andersons.* No later than thirty (30) days following the end of each fiscal quarter, the General Partner shall make available to DCEDC, for review at the office of the General Partner, a current financial statement of Monte and Rosa Anderson prepared by a Certified Public Accountant and certified by Monte and Rosa Anderson to be true and correct.

B. *Materially Adverse Developments.* The General Partner shall report to the Limited Partners any significant development which materially adversely affects the Partnership and/or the Real Property or other Partnership Property, as soon as practical following the occurrence of such development.

Section 9.6 Audits at Request of Partner. Any Partner shall have the right to have an audit of the Partnership books conducted. The cost of the audit shall be borne by the Partnership. The audit shall be performed by an accounting firm acceptable to the General Partner and the Partner requesting the audit. Not more than one (1) audit shall be required by any or all of the Partners for any fiscal year.

Section 9.7 Fiscal Year. The Partnership's fiscal year shall end on December 31 of each calendar year.

Section 9.8 Tax Elections. The Partnership shall make the following elections on the appropriate tax returns:

(a) to adopt the calendar year as the Partnership's fiscal year;

(b) to adopt the cash method of accounting and to keep the Partnership's books and records on the income-tax method;

(c) to adjust the basis of Partnership properties, pursuant to Section 754 of the Code, upon the written request of any Partner if a distribution of Partnership property as described in Section 734 of the Code occurs or if a transfer of Interest as described in Section 743 of the Code occurs;

(d) to amortize the organizational expenses of the Partnership ratably over a period of sixty (60) months as permitted by Section 709(b) of the Code; and

(e) any other election the General Partner may deem appropriate and in the best interests of the Partners.

Neither the Partnership nor any Partner may make an election for the Partnership to be excluded from the application of the provisions of subchapter K of chapter 1 of subtitle A of the Code or any similar provisions of applicable state law.

Section 9.9 "Tax Matters Partner". The General Partner shall be the "tax matters partner" of the Partnership pursuant to Section 6231(a)(7) of the Code. The General Partner shall take action as may be necessary to cause each other Partner to become a "notice partner" within the meaning of Section 6223 of the Code. The General Partner shall inform each other Partner of all significant matters that may come to its attention in its capacity as "tax matters partner" by giving notice thereof on or before the fifth Business Day after becoming aware thereof, and within that time, shall forward to each other Partner copies of all significant written communications it may receive in that capacity. The General Partner may not take any action contemplated by Sections 6222 through 6232 of the Code without the Approval of the Partners, but this sentence does not authorize the General Partner to take any action left to the determination of an individual Partner under Sections 6222 through 6232 of the Code.

ARTICLE X.

MANAGEMENT OF THE PARTNERSHIP

Section 10.1 Management; Preparation of Budget. The powers of the Partnership shall be exercised by or under the authority of, and the business and affairs of the Partnership shall be managed under the direction of, the General Partner. Any Person dealing with the Partnership, other than a Partner, may rely on the authority of the General Partner and its managers and officers in taking any action in the name of the Partnership without inquiry into the provisions or compliance herewith, regardless of whether that action is actually taken in accordance with the provisions of this Agreement. The General Partner shall prepare a detailed budget and pro forma income and expense statement, for review, comment, and Approval of the Partners, before the commencement of substantial Partnership activities and annually thereafter. After discussion and revision, as needed, the budget shall be finalized and on Approval of the Limited Partners, shall become the Approved Budget for the period covered by it.

Section 10.2 Powers of General Partner. The General Partner shall have no power to cause the Partnership to do any act outside the purpose of the Partnership as set forth in Article IV hereof. Subject to the foregoing limitation and all other limitations in this Agreement, the General Partner shall have full, complete, and exclusive power to manage and control the Partnership, and shall have the authority to take any action reasonably deemed necessary, convenient, or advisable to conduct the business of the Partnership, including, but not limited to, the power and authority on behalf of the Partnership:

1. to take and hold all Property and assets of the Partnership, real, personal, and mixed, in the name of the Partnership;

2. to execute and deliver, on behalf of the Partnership, all documents necessary and appropriate in connection with the consummation of the Construction Loan;

3. to expend the Partnership's Capital Contributions and revenues to pay (a) all Operating Expenses incurred in the conduct of the Partnership's business and that are reflected in an Approved Budget; and (b) any item not reflected on an Approved Budget, provided the cost of such item (or series of items if related) does not exceed $5,000.00; and to execute and deliver all checks, drafts, endorsements and other orders for the payment thereof;

4. to employ agents, employees, accountants, lawyers, clerical help, and such other assistance and services as may seem proper, and to pay therefor such remuneration as the General Partner may deem reasonable and appropriate;

5. to purchase, lease, rent, or otherwise acquire or obtain the use of office equipment, materials, supplies, and all other kinds and types of personal property, and to incur expenses for travel, telephone, telegraph and for such other things, services and facilities, as may be deemed necessary, convenient or advisable for carrying on the business of the Partnership;

6. to carry, at the expense of the Partnership, insurance of the kinds and in the amounts that the General Partner deem advisable or make other arrangements for payment of losses or liabilities to protect the Partnership or the Partners, officers, agents and employees of the Partnership against loss or liability;

7. to negotiate the terms and conditions of and execute all agreements (including, without limitation, all tenant leases), arrangements, documents, and instruments necessary or helpful in conducting the business of the Partnership, including contracts with third parties, leasing agents, and property managers, subject to the requirements of Section 11.9 herein;

8. to maintain the Partnership's books and records; and

9. to sue and be sued, complain and defend in the name and on behalf of the Partnership.

The enumeration of powers in this Agreement shall not limit the general or implied powers of the General Partner or any additional powers provided by law. Notwithstanding the foregoing, the General Partner may not do any of the following, without the Approval of the Partners:

1. Purchase any real property other than the Real Property;

2. Expend funds of the Partnership for items not reflected on an Approved Budget when the cost of such item (or series of items if related) is greater than $5,000.00; or

3. Borrow money from any Person (including Partner Loans) for any Partnership purpose or obligate the Partnership to repay any borrowed money (other than the Construction Loan and usual and customary operating expenses and trade debt), or encumber or hypothecate Partnership Property as security for the repayment of any borrowed money, other than in connection with the Construction Loan.

Furthermore, notwithstanding the foregoing, the General Partner may not cause the Partnership to sell, exchange, master lease, assign, transfer, convey, or otherwise dispose of all or any substantial part of the Real Property without the Approval of the Partners. Finally, notwithstanding the foregoing, the General Partner may not cause the Partnership to do any of the following without the unanimous written consent of the Partners:

1. Merge with or into another limited partnership, corporation, limited liability company or other entity, regardless of whether the Partnership is the surviving entity of such merger;

2. Reorganize the Partnership;

3. Take any action in contravention of this Agreement or the Act;

4. Make an assignment for the benefit of creditors of the Partnership or file a voluntary petition under the federal Bankruptcy Code or any state insolvency law on behalf of the Partnership;

5. Confess any judgment against the Partnership; or

6. Do any act that would make it impossible to carry on the normal and ordinary business of the Partnership.

Section 10.3 *Payments to the General Partner and its Affiliates.* In the event the Partnership makes any payments for costs, expenses, or services to the General Partner or its Affiliates, the amount paid shall not exceed the reasonable and customary amount charged for such cost, expense or service by an unrelated third party.

Section 10.4 *Standard of Care.* The business of the Partnership shall be operated and managed by the General Partner to the best of its ability, in a careful and prudent manner, and in accordance with good industry practice and consistent with its fiduciary duty to the Limited Partners.

Section 10.5 *Compensation.* Except as otherwise expressly provided herein, the General Partner and its Affiliates shall not be entitled to receive compensation from the Partnership.

ARTICLE XI.

RIGHTS, POWERS AND OBLIGATIONS OF PARTNERS

Section 11.1 *Authority; Liability to Third Parties.* No Partner (other than the General Partner) has the authority or power to act for or on behalf of the Partnership, to do any act that would be binding on the Partnership, or to incur any expenditures on behalf of the Partnership. No Limited Partner shall be liable for the debts, obligations, or liabilities of the Partnership, including under a judgment decree or order of a court.

Section 11.2 *Transfers of Interests.* A Partner may make a Transfer of its Interest, in whole or in part, only upon compliance with the following procedure:

A. The Partner or the transferee must file with the Partnership a written and dated instrument of such Transfer, in form and substance reasonably satisfactory to the General Partner, executed by both the transferor and the transferee, which instrument shall (i) contain the acceptance by the transferee of all of the terms and provisions of this Agreement, to the extent applicable to an assignee of an Interest, (ii) contain such representations as the General Partner may deem necessary or advisable to assure that such Transfer need not be registered under any applicable federal or state securities laws, (iii) instruct the General Partner as to the Interest transferred and to whom and at what address Partnership distributions and Notifications in respect of such Interest should henceforth be sent, and (iv) contain any information required under the Code that is requested by the General Partner.

B. Unless expressly waived by the General Partner, the transferor or transferee shall deliver to the Partnership an opinion of counsel acceptable to the General Partner that (i) such Transfer is exempt from the registration requirements of the Securities Act of 1933, as amended, applicable state securities laws, and any rules or regulations promulgated thereunder, and will not otherwise cause the Partnership to be in violation of such laws and regulations, (ii) the Transfer will not result in the termination of the Partnership within the meaning of Section 708(b) of the Code, and (iii) the Transfer will not adversely affect the status of the Partnership as a partnership under the Code.

C. The transferor Partner and the transferee shall have received a written acknowledgment from the General Partner that the Transfer has been Approved by the Partners of the Partnership; provided, however, that the Interest of any individual Partners shall be transferable without the Approval of the Partners if both of the following factors apply: (i) such Transfer occurs by reason of the death of the Partner and each transferee is a member of such

Partner's immediate family (i.e., spouse, parent or child of such Partner), or a trust, corporation or other entity controlled by or for the benefit of such Partner or members of such Partner's immediate family; and (ii) each transferee otherwise complies with the provisions of paragraphs A and B of this Section 11.2 (except that the instrument described in Section 11.2A need not be executed by the transferring Partner).

Section 11.3 Effect of Transfer of Interest. A Transfer of an Interest pursuant to Section 11.2 above does not entitle the transferee to become, or to exercise rights or powers of, a Partner. A Transfer only entitles the transferee to receive cash distributions and allocations of Partnership profits and losses to the extent of the Interest transferred. Until the transferee is admitted as a Partner pursuant to Section 11.4 below, the transferor Partner shall continue to be a Partner and to be entitled to exercise any rights or powers of a Partner with respect to the Interest transferred.

Section 11.4 Admission of Transferee as Partner. A transferee of a Partner's Interest desiring to be admitted as a Partner must execute a counterpart of, or an agreement adopting, this Agreement. The admission of such transferee (including, without limitation, a transferee by reason of the death of a Partner) is subject to the unanimous approval of the Partners. Upon admission of the transferee as a Partner, the transferee shall have, to the extent of the Interest transferred, the rights and powers and shall be subject to the restrictions and liabilities of a Partner under this Agreement and the Act. The transferee shall also be liable, to the extent of the Interest transferred, for the unfulfilled obligations, if any, of the transferor Partner arising before its admission (as though the transferee partner had been a Partner when the obligations were incurred), except to the extent otherwise provided at the time of the Partner's admission to the Partnership. Whether or not the transferee of an Interest becomes a Partner, the transferor Partner is not released from any liability to the Partnership under this Agreement or the Act.

Section 11.5 Transfer of General Partner's Interests. Except pursuant to the Assignment of Partnership Interests, the General Partner may not assign, transfer, sell, give, pledge, encumber, or otherwise dispose of its interest as General Partner in the Partnership, unless required to do so by the terms of Section 11.7 below. The General Partner acknowledges that the Limited Partners have agreed to become Limited Partners of the Partnership with the understanding that they will deal with Monte Anderson, and that the Limited Partners are relying on their relationship with and the experience of Monte Anderson in agreeing to form the Partnership.

Section 11.6 Preferential Right to Purchase Partnership Interest. Except for a Transfer to an Affiliate or a Transfer by Monte and Rosa Anderson permitted by Section 5.2C herein or a Transfer resulting from the exercise of any rights and remedies under the Assignment of Partnership Interests, if any Partner should desire to sell all or any part of its Interest in the Partnership to any party, the other Partners shall have the prior and preferential right and option to purchase, in proportion to their respective Interests, the Interest hereunder desired to be sold by the selling Partner, such option to be upon the same terms and conditions as the selling Partner is willing to accept from the prospective purchaser (and the Partners hereby agree that no Partner shall agree to any sale other than for cash), less any brokerage commissions or fees to be paid in any such sale to a third party.

A. The terms and conditions upon which any selling Partner desires to sell all or any part of its Interest hereunder shall be set out in a written offer signed by the prospective purchaser or purchasers and shall provide for the consideration to be paid in cash. The selling Partner shall thereafter deliver to each of the other Partners a fully executed counterpart of the contract relating to the contemplated sale.

B. The other Partners shall have fifteen (15) days from the date of receipt of the executed copies of said contract to advise in writing the Partner contemplating such sale of their desire to purchase all or some portion of the Interest which is the subject of such contemplated sale. Failure of any Partner to advise in writing the selling Partner of such Partner's desire to purchase its proportionate part of such Interest within such fifteen (15) day period shall be deemed conclusively a rejection of such right to purchase.

C. Should any Partner elect not to purchase its proportionate part of the Interest which is the subject of the contemplated sale, the selling Partner shall promptly so notify the Partners that did elect to purchase their proportionate part and such other Partners shall have the right as a group to purchase such part in proportion to their then Interests or in such other proportions as they may collectively determine, by giving the selling Partner written notice thereof within the ten (10) day period next following receipt of the notice from the selling Partner described in this Section 11.6C. Likewise, the failure of such Partners as a group to advise the selling Partner in writing of their desire to purchase all of such additionally available Interest in the manner and within the time permitted shall be conclusively deemed a rejection of such right to purchase.

D. If all or any of the non-selling Partners desire to exercise their preferential right and option to purchase under Section 11.6B (and, if applicable, Section 11.6C) above and so notify the selling Partner pursuant to Section 11.6B (and, if applicable Section 11.6C) above, such Partners shall close the purchase of such Interest prior to the expiration of thirty (30) days after the last to occur of their elections, payment for such Interest being in accordance with the terms and provisions of the third-party offer.

E. This preferential right to purchase shall be of no force and effect unless the other Partners shall offer to purchase the entire Interest offered for sale by the selling Partner.

F. From the date of the election by the other Partners not to exercise their respective preferential rights and options to purchase all of the Interest which is the subject of the contemplated sale or the date upon which such right expires, whichever occurs first, the Partner desiring to sell its Interest as reflected by such contract, during the period of ninety (90) days thereafter, may sell such Interest to the purchaser or purchasers named in the contract delivered to the other Partners. If the said sale is not consummated within such period, the right of the selling Partner to make such sale free from the provisions of the refusal right herein shall expire, and a new contract must thereafter be submitted to the other Partners should the selling Partner desire to make a sale of its Interest hereunder.

G. Any assignment or disposition of any Interest hereunder made in accordance with the foregoing shall expressly provide that the new owner shall acquire such Interest subject to the provisions hereof and shall assume the obligations of the selling Partner

but without the release of the selling Partner of its obligations hereunder attributable to the period during which it was a Partner; provided, however, that the transferee of an interest of a Limited Partner shall not be entitled to become a substitute Limited Partner unless all other conditions to transfer as set forth in this Article XI have been met to the General Partner's reasonable satisfaction.

Section 11.7 Resignation or Removal of the General Partner.

A. The General Partner shall not resign without the Approval of the Partners prior to the tenth anniversary of the date on which the certificate of occupancy for the Project is issued.

B. In the event the General Partner commits a "material breach" (defined in Section 11.7D below) of this Agreement, the General Partner may be removed by notice of Partners holding at least fifty percent (50%) of the Interests of the Partners (exclusive of the Interests held by the General Partner Group), communicated in writing to the General Partner.

C. In the event the General Partner is removed for a material breach of this Agreement, a new General Partner shall be elected by Approval of the Partners (exclusive of all Interests held by the General Partner Group) and shall be admitted to the Partnership as the General Partner. The removed General Partner's one percent (1%) Interest shall be automatically transferred to the newly elected General Partner as of the date the prior General Partner is removed without necessity of any further action. The removed General Partner shall not have any management responsibility and shall no longer take part in the management of the Partnership or any projects or properties, shall have no authority to act, sign for, or bind the Partnership, and all management and other agreements entered into by the Partnership with the General Partner or its Affiliates, at the option of the successor General Partner, shall be null and void, thereby relieving the Partnership of any obligation to make further payments with respect to any of such agreements. The removed General Partner shall remain liable for all liabilities of the Partnership accruing before such removal. Except as expressly provided herein, the removed General Partner shall not be liable for any debts or obligations of the Partnership incurred after removal.

D. For purposes of this Section 11.7, the term "material breach" shall mean the occurrence of any of the following:

(i) the violation or breach as a result of bad faith or gross negligence of any material term hereof or material fiduciary obligation owed by the General Partner to the Partnership or Limited Partners;

(ii) the appointment of a receiver for all or substantially all of the assets of the General Partner and the failure to have such receiver discharged within sixty (60) days of such appointment; or

(iii) the bringing of any legal action against the General Partner by a creditor of the General Partner, or an Affiliate of the General Partner, resulting in the attachment, garnishment, or sequestration of any portion of the General Partner's Interest and the

failure of the General Partner to have such attachment, garnishment, or sequestration discharged within sixty (60) days of such event.

With respect to the events described in clauses (i), (ii), and (iii) above, the General Partner shall be deemed removed upon delivery to it of notice of its removal. Subject to Section 11.7C above, upon the removal of the General Partner, the General Partner shall continue to hold any Limited Partner Interests it held prior to its removal as General Partner with all of the rights and duties pertaining thereto.

E. Upon the occurrence of the Bankruptcy of the General Partner, such General Partner shall be deemed removed without necessity of action by the other Partners.

F. Upon the resignation or removal of the General Partner, such General Partner shall use reasonable good faith efforts in assisting the Partners in finding a successor property manager for the Project.

Section 11.8 *Other Business.* The Partners may engage in or possess interests in other business ventures (unconnected with the Partnership) of every kind and description, independently or with others, including businesses competitive with that of the Partnership. Neither the Partnership nor the other Partners shall have any rights in or to such independent ventures or the income or profits therefrom.

Section 11.9 *Transactions Involving General Partner.* It is agreed that the Partnership will enter into a management agreement with Trinidad Property Management, an Affiliate of General Partner, and a leasing agreement with Options Real Estate Investments, Inc., an Affiliate of General Partner, for the management and leasing of the Project, which agreements shall contain terms and conditions that are reasonable and customary in the Dallas metropolitan area for similar services, and pursuant to which the Partnership shall pay such reasonable and customary fees as would otherwise be paid to unrelated third parties for such management and leasing services. At the request of any Limited Partner, the General Partner shall provide satisfactory evidence that the fees being charged do not exceed the customary amounts charged for such services by unrelated third parties. Copies of the management agreement and leasing agreement shall remain on file at the Partnership's registered office, and will be made available to any Limited Partner upon request. Except as described in this Section 11.9 and except for the Non-Bank Loan, the General Partner shall not enter into any other agreements with its Affiliates without the Approval of the Partners.

Section 11.10. Notwithstanding anything contained in this Article XI to the contrary, any Transfer pursuant to or in connection with the Assignment of Partnership Interests shall be exempt from the restrictions and requirements of this Article XI, so long as the transferee provides the General Partner (or any successor General Partner, as the case may be) with all necessary information required under Section 11.2A above. Without limiting the foregoing, any Transfer pursuant to or in connection with the Assignment of Partnership Interests shall not require action by the other Partners, and the transferee shall immediately upon the exercise of its rights and remedies under the Assignment of Partnership Interests be deemed admitted as a Partner and entitled to exercise the rights and powers of a Partner. Such transferee shall not, however, be liable for any unfulfilled obligations of the transferor Partner arising before the

admission of the transferee Partner. Upon any transfer of the Interest of the General Partner pursuant to the Assignment of Partnership Interests, the General Partner shall be deemed removed without necessity of action by the other Partners, and the transferee Partner shall be deemed the new General Partner.

ARTICLE XII.

MEETINGS OF PARTNERS

Section 12.1 *Place of Meetings.* All meetings of Partners shall be held at the registered office of the Partnership as provided in Section 3.3 above, or at such other place within the State of Texas as may be designated by the General Partner or Partners calling the meeting.

Section 12.2 *Special Meetings.* Special meetings of the Partners may be called by resolution of the General Partner or by Partners holding ten percent (10%) or more of the Interests, for the purpose of addressing any matter upon which the Partners may vote under this Agreement. Partners may call a meeting by delivering to the General Partner one or more written requests signed by the requisite number of Partners, stating that the signing Partners wish to call a meeting and indicating the specific purpose for which the meeting is to be held. Action at the meeting shall be limited to those matters specified in the call of the meeting.

Section 12.3 *Notice.* A Notification of all meetings, stating the place, day, and hour of the meeting, and in the case of a special meeting, the purpose or purposes for which the meeting is called, shall be delivered not less than ten (10) nor more than sixty (60) days before the meeting to each Partner entitled to vote.

Section 12.4 *Waiver of Notice.* Attendance of a Partner at a meeting shall constitute a waiver of Notification of the meeting, except where such Partner attends for the express purpose of objecting to the transaction of any business on the ground that the meeting is not lawfully called or convened. Notification of a meeting may also be waived in writing. Attendance at a meeting is not a waiver of any right to object to the consideration of matters required to be included in the Notification of the meeting but not so included, if the objection is expressly made at the meeting.

Section 12.5 *Quorum.* Partners holding at least 80% of the Interests in the Partnership shall constitute a quorum at any meeting of the Partners, whether present in person or by proxy.

Section 12.6 *Voting.*

A. *Voting and Voting Power.* All Partners shall be entitled to vote at meetings. Partners may vote either in person or by proxy at any meeting. Each Partner's percentage voting power at a meeting shall be in proportion to his percentage Interest.

B. *Voting on Matters Other than the Election of General Partner.* With respect to any matter other than the election of a substitute General Partner or a matter for which the affirmative vote of Partners owning a specified portion of the Interests is required by the Act

or this Agreement, the Approval of the Partners at a meeting at which a quorum is present shall be the act of the Partners.

C. *Voting in the Election of General Partner.* In the event of removal or resignation of the General Partner, a successor General Partner shall be elected only by the Approval of the Partners (exclusive of any Interests owned by the removed General Partner and its Affiliates).

D. *Change in Voting Percentages.* No provision of this Agreement requiring that any action be taken only upon approval of Partners holding a specified percentage of Interests may be modified, amended, or repealed, unless such modification, amendment, or repeal is approved by Partners holding at least such percentage of Interests.

Section 12.7 *Conduct of Meetings.* The General Partner shall have full power and authority concerning the manner of conducting any meeting of the Partners, including, without limitation, the determination of Persons entitled to vote, the existence of a quorum, the satisfaction of the requirements of this Article XII, the conduct of voting, the validity and effectiveness of any proxies, and the determination of any controversies, votes, or challenges arising in connection with or during the meeting or voting. The General Partner shall designate a Person to serve as chairman of any meeting and shall further designate a Person to take minutes of any meeting.

Section 12.8 Action by Written Consent. Any action that may be taken at a meeting of the Partners may be taken without a meeting if a consent in writing, setting forth the action to be taken, shall be signed by Partners holding the percentage of Interests required to approve such action under the Act or this Agreement. Such consent shall have the same force and effect as a vote of the signing Partners at a meeting duly called and held pursuant to this Article XII. No prior notice from the signing Partners to the General Partner or other Partners shall be required in connection with the use of a written consent pursuant to this Section. Notification of any action taken by means of a written consent of less than all of the Partners shall, however, be sent within a reasonable time after the date of the consent by the General Partner to all of the Partners who did not sign the consent.

Section 12.9 Proxies. A Partner may vote either in person or by proxy executed in writing by the Partner. A facsimile, telegram, telex, cablegram, or similar transmission by the Partner, or a photographic, photostatic, facsimile, or similar reproduction of a writing executed by the Partner shall be treated as an execution in writing for purposes of this Section. Proxies for use at any meeting of Partners or in connection with the taking of any action by written consent shall be filed with the General Partner, before or at the time of the meeting or execution of the written consent, as the case may be. All proxies shall be received and taken charge of and all ballots shall be received and canvassed by the General Partner who shall decide all questions touching upon the qualification of voters, the validity of the proxies, and the acceptance or rejection of votes, unless an inspector or inspectors shall have been appointed by the chairman of the meeting, in which event such inspector or inspectors shall decide all such questions. No proxy shall be valid after eleven (11) months from the date of its execution unless otherwise provided in the proxy. A proxy shall be revocable unless the proxy form conspicuously states that the proxy is irrevocable and the proxy is coupled with an interest. Should a proxy designate

two or more Persons to act as proxies, unless such instrument shall provide to the contrary, a majority of such Persons present at any meeting at which their powers thereunder are to be exercised shall have and may exercise all the powers of voting or giving consents thereby conferred, or if only one be present, then such powers may be exercised by that one; or, if an even number attend and a majority do not agree on any particular issue, the Partnership shall not be required to recognize such proxy with respect to such issue if such proxy does not specify how the Interests that are the subject of such proxy are to be voted with respect to such issue.

ARTICLE XIII.

DISSOLUTION AND WINDING UP

Section 13.1 *Events Causing Dissolution*. The Partnership shall be dissolved upon the first of the following events to occur:

A. the expiration of the term of the Partnership set forth in Section 2.3 of this Agreement;

B. the written consent of the Partners holding no less than eighty percent (80%) of the Interests of the Partnership at any time to dissolve and wind up the affairs of the Partnership;

C. the death, Bankruptcy, or dissolution of the General Partner, the removal of the General Partner pursuant to Section 11.7 hereof (except in connection with the exercise of rights and remedies under the Assignment of Partnership Interests), or the occurrence of any other event that terminates the continued membership of the General Partner in the Partnership, unless within ninety (90) days of the occurrence of such event, all remaining Partners agree in writing to continue the business of the Partnership and, to the extent that they so desire, all agree to the appointment, effective as of the date of occurrence of such event, of a new general partner; or

D. the occurrence of any other event that causes the dissolution of a limited partnership under the Act.

Section 13.2 *Winding Up*. If the Partnership is dissolved pursuant to Section 13.1, the Partnership's affairs shall be wound up as soon as reasonably practicable in the manner set forth below.

A. *Appointment of Liquidator*. The winding up of the Partnership's affairs shall be supervised by a liquidator. The liquidator shall be the General Partner or, if the General Partner has been removed pursuant to Section 11.7 hereof, a liquidator or liquidating committee Approved by the Partners (the "Liquidator").

B. *Powers of Liquidator*. In winding up the affairs of the Partnership, the Liquidator shall have full right and unlimited discretion, for and on behalf of the Partnership:

1. to prosecute and defend civil, criminal, or administrative suits;

2. to collect Partnership assets, including obligations owed to the Partnership;

3. to settle and close the Partnership's business;

4. to dispose of and convey all Partnership Property for cash, and in connection therewith to determine the time, manner, and terms of any sale or sales of Partnership Property, having due regard for the activity and condition of the relevant market and general financial and economic conditions;

5. to pay, out of the proceeds of the disposition of Partnership Property, all reasonable selling costs and other expenses incurred in connection with the winding up;

6. to discharge the Partnership's known liabilities and, if necessary, to set up, for a period not to exceed five (5) years after the date of dissolution, such cash reserves as the Liquidator may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Partnership;

7. to distribute any remaining proceeds from the sale of Partnership Property to the Partners;

8. to prepare, execute, acknowledge, and file any certificates, tax returns, or instruments necessary or advisable under any applicable law to effect the winding up and termination of the Partnership; and

9. to exercise, without further authorization or consent of any of the parties hereto or their legal representatives or successors in interest, all of the powers conferred upon the General Partner under the terms of this Agreement to the extent necessary or desirable, in the good faith judgment of the Liquidator, to perform its duties and functions. The Liquidator (if not the General Partner) shall not be liable as a partner to the Partners and shall, while acting in such capacity on behalf of the Partnership, be entitled to the indemnification rights set forth in the Act and in Article XIV hereof.

Section 13.3 *Compensation of Liquidator.* The Liquidator appointed as provided herein shall be entitled to receive such reasonable compensation for its services as shall be agreed upon by the Liquidator and Approved by the Partners.

Section 13.4 *Distribution of Partnership Property and Proceeds of Sale Thereof.*

A. *Order of Distribution.* Upon completion of all desired sales of Partnership Property, and after payment of all selling costs and expenses, the Liquidator shall distribute the proceeds of such sales, and any Partnership Property that is to be distributed in kind, to the following groups in the following order of priority:

1. to the extent permitted by law, to satisfy Partnership liabilities to creditors, including Partner Loans, whether by payment or establishment of reserves;

2. to satisfy Partnership obligations to Partners to pay past-due Partnership distributions;

3. to the Partners, in accordance with the positive balances in their respective Capital Accounts; and

4. to the Partners in accordance with their respective Interests.

B. *Insufficient Assets.* The claims of each priority group specified above shall be satisfied in full before satisfying any claims of a lower priority group. If the assets available for disposition are insufficient to dispose of all of the claims of a priority group, the available assets shall be distributed in proportion to the amounts owed to each creditor or the respective Capital Account balances or Interests of each Partner in such group.

Section 13.5 *Final Audit.* Within a reasonable time following the completion of the liquidation, the Liquidator shall supply to each of the Partners a statement which shall set forth the assets and the liabilities of the Partnership as of the date of complete liquidation and each Partner's pro rata portion of distributions pursuant to Section 13.4.

Section 13.6 *Deficit Capital Accounts.* Notwithstanding anything to the contrary contained in this Agreement, and notwithstanding any custom or rule of law to the contrary, to the extent that the deficit, if any, in the Capital Account of any Partner results from or is attributable to deductions or losses of the Partnership (including non-cash items such as depreciation), or distributions of money pursuant to this Agreement to all Partners in proportion to their respective Interests, upon dissolution of the Partnership, such deficit shall not be an asset of the Partnership and such Partners shall not be obligated to contribute such amount to the Partnership to bring the balance of such Partner's Capital Account to zero. Any contributions required under this Section by the General Partner must be made no later than the end of the taxable year within which the liquidation occurs or, if later, within ninety (90) days after the date of liquidation.

ARTICLE XIV.

INDEMNIFICATION AND INSURANCE

Section 14.1 *Indemnification and Advance of Expenses.* The Partnership (but not the Limited Partners) shall indemnify and/or advance expenses to a Person who was, is, or is threatened to be made a named defendant or respondent in a proceeding because the person is or was a Partner, officer, employee, or agent of the Partnership. This indemnification shall be effective only if the Person indemnified has satisfied the standard of conduct set forth in Section 11.02 of the Act. Notwithstanding the foregoing, this indemnification shall in no event be applicable to a proceeding in which the General Partner has been found to be liable for intentional misconduct, gross negligence or fraud in the performance of the General Partner's duty to the Partnership or the Limited Partners. Any indemnification pursuant to this Section 14.1 shall be satisfied from and limited to the Partnership Property, and no Limited Partner shall have personal liability on account thereof.

Section 14.2 *Insurance.* Subject to Section 11.18 of the Act, the Partnership may purchase and maintain insurance or another arrangements on behalf of any Person who is or was a Partner, employee, agent or other Person identified in Section 14.1 above against any liability asserted against him or incurred by him in such a capacity or arising out of his status as such a Person, whether or not the Partnership would have the power to indemnify him against that liability under Section 14.1 or otherwise.

Section 14.3 *Limit on Liability of Partners.* The indemnification set forth in this Article XIV shall in no event cause the Partners to incur any personal liability beyond their total Capital Contributions, nor shall it result in any liability of the Partners to any third party.

ARTICLE XV.

MISCELLANEOUS PROVISIONS

Section 15.1 *Entire Agreement.* This Agreement contains the entire agreement among the Partners relating to the subject matter hereof and all prior agreements relative hereto which are not contained herein are terminated.

Section 15.2 *Law Governing.* This Agreement shall be governed by and construed in accordance with the local, internal laws of the State of Texas. In particular, this Agreement is intended to comply with the requirements of the Act. In the event of a direct conflict between the provisions of this Agreement and the mandatory provisions of the Act, the Act will control.

Section 15.3 *Conference Telephone Meetings.* Meetings of the Partners may be held by means of conference telephone or similar communications equipment so long as all Persons participating in the meeting can hear each other. Participation in a meeting by means of conference telephone shall constitute presence in person at such meeting, except where a Person participates in the meeting for the express purpose of objecting to the transaction of any business thereat on the ground that the meeting is not lawfully called or convened.

Section 15.4 *Successors and Assigns.* This Agreement shall be binding upon and shall inure to the benefit of the Partners and their respective heirs, legal representatives, successors, and assigns.

Section 15.5 *Severability.* This Agreement is intended to be performed in accordance with, and only to the extent permitted by, all applicable laws, ordinances, rules, and regulations. If any provision of this Agreement or the application thereof to any Person or circumstance shall, for any reason and to any extent, be invalid or unenforceable, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain among the Partners as expressed herein, the remainder of this Agreement and the application of such provision to other Persons or circumstances shall not be affected thereby, but rather shall be enforced to the greatest extent permitted by law.

Section 15.6 *Amendment.* Except as expressly provided herein, this Agreement may be amended only by action of Partners holding at least eighty percent (80%) of the Interests of the Partnership.

Section 15.7 Headings. The Article and Section headings appearing in this Agreement are for convenience of reference only and are not intended, to any extent or for any purpose, to limit or define the text of any Article or Section.

Section 15.8 Construction. Whenever required by the context, as used in this Agreement, the singular number shall include the plural, and vice versa, and the gender of all words used shall include the masculine, feminine, and the neuter. Unless expressly stated herein, all references to Articles and Sections refer to articles and sections of this Agreement, and all references to Schedules are to schedules attached hereto, each of which is made a part hereof for all purposes.

Section 15.9 Offset. Whenever the Partnership is to pay any sum to any Partner, any amounts that Partner owes the Partnership may be deducted from that sum before payment.

Section 15.10 Effect of Waiver or Consent. A waiver or consent, express or implied, to or of any breach or default by any Person in the performance by that Person of its obligations with respect to the Partnership is not a consent or waiver to or of any other breach or default in the performance by that Person of the same or any other obligations of that Person with respect to the Partnership. Failure on the part of a Person to complain of any act of any Person or to declare any Person in default with respect to the Partnership, irrespective of how long that failure continues, does not constitute a waiver by that Person of its rights with respect to that default until the applicable statute-of-limitations period has run.

Section 15.11 Further Assurances. In connection with this Agreement and the transactions contemplated hereby, each Partner shall execute and deliver any additional documents and instruments and perform any additional acts that may be necessary or appropriate to effectuate and perform the provisions of this Agreement and those transactions.

Section 15.12 Waiver of Certain Rights. Each Partner irrevocably waives any right it may have to maintain any action for dissolution of the Partnership or for partition of the property of the Partnership.

Section 15.13 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be an original, but all of which taken together shall constitute a single document. This Agreement shall be binding upon each Partner upon execution, regardless of whether any other Partner has executed the same or a different counterpart. A photocopy or telecopy of an executed counterpart of this Agreement shall be sufficient to bind the Partner(s) whose signature(s) appear thereon.

Section 15.14 Buy-Sell. At any time after the tenth (10^{th}) anniversary of the issuance of the certificate of occupancy for the Project, DCEDC and the General Partner Group shall each have the right to initiate the buy-sell procedures in this Section 15.14. For the purpose of this Section 15.14, the General Partner Group must act collectively. The references in this Section 15.14 to an Interest transferred hereunder when referring to the General Partner Group shall mean and refer to the Interests of all Partners of the General Partner Group. Subject to the foregoing, either (i) the General Partner Group or (ii) DCEDC (either such party being referred to as the "Initiating Partner") may purchase the entire Interests of all the other Partners (the

"Responding Partners") or sell all of its Interest to the Responding Partners upon the following terms:

A. The Initiating Partner shall notify the Responding Partners in writing of such Partner's determination of the valuation of the Partnership Property, as though free and clear of debt financing. Within thirty (30) days after such notice, the Responding Partners shall inform the Initiating Partner in writing that either (i) the Responding Partners agree with the Initiating Partner's determination of the valuation of the Partnership Property and agree that such valuation shall be utilized in determining the Option Price (as hereinafter defined) pursuant to Section 15.14B below, or (ii) the Responding Partners disagree with the Initiating Partner's determination of such valuation. If the Initiating Partner and all the Responding Partners do not agree as to the valuation of the Partnership Property, then they shall immediately select an independent, qualified appraiser to determine the fair market value of the Partnership Property. If such Partners fail to agree as to the selection of an appraiser, the Initiating Partner shall select, and the Responding Partners (as a group) shall select, an independent, qualified appraiser with at least five (5) years experience in commercial real estate appraising and such appraisers so selected shall appoint a third qualified appraiser having at least five (5) years experience in commercial real estate appraising. The appraiser(s) so selected shall proceed to determine promptly the fair market value of the Partnership Property. Each appraiser shall deliver a written report of its appraisal to all the Partners. The determination of fair market value by the appraisers shall be final and binding upon the Initiating Partner and the Responding Partners. If the appraisers so selected are unable to agree upon the fair market value, the fair market value determinations of all such appraisers shall be totaled and the total divided by the number of appraisals, with the resultant average to be conclusive and binding on all Partners as to the fair market value of the Partnership Property; provided, however, that if any fair market value determination of any such appraiser deviates by more than ten percent (10%) from the median of all such determinations, the fair market value shall be the average of the two (2) determinations closest in amount and such average of the two (2) closest determinations shall be conclusive and binding upon all parties as to the fair market value of the Partnership Property. The fees and expenses of the appraisers shall be borne equally by the Initiating Partner and the Responding Partners. However, if each Partner selects an appraiser, each Partner shall pay the fees and expenses of the appraiser selected by such Partner. All references to the terms "Partner" or "Partners" which appear in this Section 15.14 mean the Initiating Partner and the Responding Partners.

B. Following determination of the valuation of the Partnership Property, either by agreement of the Initiating Partner and Responding Partners or by determination of the fair market value thereof by appraisers in the manner set forth in Section 15.14A above, the Initiating Partner, if such Partner so desires, shall notify the Responding Partners in writing of its offer to purchase the Interest of the Responding Partners or to sell such Initiating Partner's Interest to the Responding Partners. This offer to buy or sell shall state the agreed upon valuation or the fair market value of the Partnership Property as determined in accordance with Section 15.14A above. The price payable as to any Partner (the "Option Price") shall be that amount which the Partner would receive pursuant to Section 13.4 of this Agreement if (i) the Partnership Property then held by the Partnership was sold for cash as of the date of the Initiating Partner's offer to purchase the Responding Partner's Interest for the agreed to valuation or the fair market value, (ii) all third-party lenders and all Partner Loans were paid in accordance with their terms,

and (iii) the remaining proceeds were distributed. The only assets of the Partnership to be considered are the Partnership Property and cash available for distribution, and the only liabilities to be considered are the liabilities directly related to the Partnership Property, Partner Loans, and reasonably estimated current operating expenses. Potential closing costs, commissions, reserves and other expenses are not to be taken into account in ascertaining the Option Price.

C. Within thirty (30) days after the receipt of such offer, the Responding Partners shall deliver to the Initiating Partner, written notification of either:

(i) Such Responding Partners' agreement to sell its Interest at the Option Price applicable to the Responding Partner; or

(ii) Such Responding Partners' election to purchase the entire Interest of the Initiating Partner at the Option Price applicable to the Initiating Partner.

Failure by any Responding Partner to respond within thirty (30) days shall be deemed to be an election by such Responding Partner to proceed under Section 15.14C(i) above.

D. In the event that (i) one or more of the Responding Partners elects, or is deemed to have elected, to sell its Interest (a "Non-Purchasing Partners"), and (ii) one or more of the other Responding Partners elects to purchase the Initiating Partner's Interest (the "Purchasing Partners"), the Initiating Partner shall promptly so notify the Purchasing Partners. Such Purchasing Partners shall have the right to purchase the Non-Purchasing Partners' portion of the Initiating Partner's Interest in proportion to their then Interests or in such other proportions as they may collectively determine, by giving the Initiating Partner written notice thereof within the ten (10) day period next following receipt of the notice from the Initiating Partner described in this Section 15.14D. The failure of such Purchasing Partners to advise the Initiating Partner in writing of their desire to purchase all of the Non-Purchasing Partners' portion of the Initiating Partner's Interest in the manner and within the time period provided shall be conclusively deemed a rejection of the right to purchase the Initiating Partner's Interest, and any prior exercise under Section 15.14C(ii) above shall be deemed null and void.

E. The Purchasing Partner(s), in addition to paying at the closing the Option Price, shall be obligated to purchase the Selling Partner(s)' (herein so called) interest in any Partner Loans, and the Selling Partner(s) shall be obligated to execute an assignment conveying such loans to the Purchasing Partner(s). The purchase price to be paid by the Purchasing Partner(s) for such Partner Loans shall be the outstanding amount of the loans, together with any accrued and unpaid interest due on such loans.

F. Any such purchase or sale shall be accomplished as follows:

(i) The Option Price, unless otherwise agreed, shall be paid in cash at closing.

(ii) The closing shall take place within ninety (90) days after the response date referred to in Section 15.14C above.

G. Upon receipt of the Option Price, the Selling Partner(s) shall execute and deliver all documents reasonably required to transfer its Interest(s) to the Purchasing Partner(s)(or its designated assigns). The Selling Partner(s) shall also execute such resignations and other documents as may be reasonably required by counsel for the Partnership to accomplish the withdrawal of the Selling Partner(s) as a Partner, and the Purchasing Partner(s) shall assume all of the Selling Partner(s)' obligations to the Partnership under any loans to the Partnership permitted by this Agreement, such assumptions to be in form reasonably satisfactory to counsel for the Selling Partner(s).

H. .It is expressly agreed that the remedy at law for breach of any of the obligations set forth in this Section 15.14 is inadequate in view of (i) the complexities and uncertainties in measuring the actual damages that would be sustained by reason of the failure of a Partner to comply fully with each of said obligations, and (ii) the uniqueness of the Partnership business and the Partners' relationships. Accordingly, each of the aforesaid obligations shall be, and is, hereby expressly made, enforceable by specific performance.

GENERAL PARTNER:

MARA INC.,
a Texas corporation

By: _____
Name: Monte Anderson
Title: President

LIMITED PARTNERS:

_____
Monte Anderson

_____
Rosa Anderson

DUNCANVILLE COMMUNITY AND
ECONOMIC DEVELOPMENT CORPORATION,
a Texas non-profit corporation

By: Sherri Jan Davis
Name: Sherri Jan Davis
Title: Vice-President DCEDC

By: Jeanne Crawford Fralicks
Name: JEANNE CRAWFORD FRALICKS
Title: BOARD SECRETARY

SCHEDULE A

PARTNERS

GENERAL PARTNER:

Name, Address, and Fax Number	Initial Capital Contribution	Interest
MARA Inc. 1801 N. Hampton Road Suite 400 DeSoto, Texas 75115 Fax Number: (972) 780-1716	$1.00 (Cash)	1%

LIMITED PARTNERS:

Name, Address, and Fax Number	Initial Capital Contribution	Interest
Monte and Rosa Anderson 1801 N. Hampton Road Suite 400 DeSoto, Texas 75115 Fax Number: (972) 780-1716	$2,000,000.00 (Obligation to provide for the Construction Loan to the Partnership in the amount of $2,000,000.00, either as borrowers, guarantors, or lenders, whether individually or through an Affiliate)	67%
Duncanville Community and Economic Development Corporation 203 E. Wheatland Road P.O. Box 380280 Duncanville, Texas 75138-0280 Attn: Director of Economic Development Fax Number: (972) 780-6493	$805,093.00 (Detailed in Section 6.1B)	32%

SCHEDULE B

Legal Description of Land

Being Lot 1, Block A of Main Station Addition, an addition to the City of Duncanville, Dallas County, Texas, according to the plat thereof recorded in Volume 2003018, Page 00039 of the Map Records of Dallas County, Texas.

RESOLUTION NO. 2016-12065B

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS, APPROVING THE ACTION OF THE BOARD OF DIRECTORS OF THE DUNCANVILLE COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION TO REFINANCE MAIN STATION FOR $1.5 MILLION, FOR 60 MONTHS WITH TEXAS BRAND BANK; AND, PROVIDING AN EFFECTIVE DATE.

WHEREAS, Monte Anderson, General Partner of Main Station Duncanville, Ltd., has requested the Duncanville Community and Economic Development Corporation (DCEDC) Board of Directors to approve the refinancing of Main Station for $1.5 million, plus any accrued interest until the loan is closed, for 60 months (five years) with Texas Brand Bank and to sign the bank required Certification and Authorization document; and

WHEREAS, the DCEDC is a limited partner owning 32% of the Main Station Duncanville, Ltd.; and

WHEREAS, Main Station provides an anchor to Duncanville's downtown area; and

WHEREAS, Main Station supports DCEDC's desire to attract new and expand current businesses to the city that will generate additional sales tax revenue for the City and the DCEDC; and

WHEREAS, the Board of Directors of the DCEDC has determined that approving the refinancing of Main Station is vital for the future of Main Station and the downtown area and has authorized the Board President to execute the necessary documents upon approval of the City Council.

NOW, THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF DUNCANVILLE, TEXAS:

Section 1: That the City Council of the City of Duncanville, Texas, hereby approves the action of the Board of Directors of the Duncanville Community and Economic Development Corporation to refinance Main Station for $1.5 million, plus any accrued interest, with Texas Brand Bank.

Section 2: This Resolution shall become effective immediately upon its passage.

DULY RESOLVED AND ADOPTED by the City Council of the City of Duncanville, Texas, on the 6th day of December, 2016.

CITY OF DUNCANVILLE, TEXAS

APPROVED:

David L. Green, Mayor

ATTEST:

Mary E. Jones, City Secretary

APPROVED AS TO FORM:

Robert E. Hager, City Attorney

CERTIFICATION AND AUTHORIZATION
BY THE PARTNERS
OF
MAIN STATION DUNCANVILLE, LTD.

The undersigned partners of Main Station Duncanville, Ltd., a Texas limited partnership ("Partnership"), by signing below, hereby certify as follows:

1. The name of the Partnership is "Main Station Duncanville, Ltd.," it is a Texas limited partnership and the sole general partner (the "General Partner") of the Partnership as of the date hereof is:

MARA Inc.,
a Texas corporation

All of the limited partners in the Partnership as of the date hereof have executed this Certification and Authorization.

2. The Partnership Agreement is in full force and effect and no proceeding is pending, planned or threatened for dissolution of the Partnership, and to the knowledge of the undersigned, no default or event which with the passage of time or the giving of notice would constitute a default under the Partnership Agreement has occurred.

3. The Partnership has been formed for valid business purposes.

4. The undersigned partners on behalf of the Partnership have authorized the General Partner, and the General Partner is hereby directed to obtain, on behalf of Partnership, a loan in the amount of $1,500,000.00 (the "Loan") from Texas Brand Bank ("Lender"), upon such terms and conditions as General Partner shall in its sole discretion deem necessary or advisable; to execute and deliver on behalf of the Partnership, a Promissory Note, Loan Agreement, Deed of Trust, Security Agreement - Financing Statement and all related documents, certificates and agreements (collectively, the "Loan Documents") required by Lender, and to pledge as security for the Loan such assets of the Partnership as General Partner deems necessary or advisable; and to do any and all things in connection with the Loan or any renewal, extension or rearrangement thereof that General Partner deems necessary or advisable and in the best interests of the Partnership.

5. Any and all transactions by any of the representatives of the Partnership, for and on behalf and in the name of the Partnership, with Lender prior to the granting of the foregoing authorization be, and they are hereby, ratified, confirmed and approved in all respects.

6. Lender shall be entitled to act in reliance upon the matters herein contained without further inquiry of any kind, notwithstanding anything contained in the Partnership Agreement of the Partnership or any other agreements or documents, it being expressly acknowledged and agreed that in the event of any inconsistencies between this Certification and Authorization and the Partnership Agreement, the terms of this Certification and Authorization shall govern.

7. The powers and authorizations provided by this Certification and Authorization shall continue in full force and effect until written notice of revocation thereof has been actually received by Lender.

8. This instrument may be executed in multiple counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. In addition, this instrument may be executed by facsimile and/or emailed signatures and such signatures shall be deemed originals.

EXECUTED as of the 22nd day of November, 2016.

GENERAL PARTNER:

MARA Inc.,
a Texas corporation

By: _____
Monte Anderson, President

LIMITED PARTNERS:

DUNCANVILLE COMMUNITY AND ECONOMIC DEVELOPMENT CORPORATION,
a Texas non-profit corporation

By: _____ 6 Dec. 2016
Name: BARRY L. GORDON
Title: PRESIDENT, DCEDC CORP. BOARD

_____
Monte Anderson

_____
Rosa Anderson

_____
Emiliano Bahena

_____
Maria Isabel Bahena

_____
Santos Bahena

_____
Angel Hernandez

Appraisal Report

Duncanville Main Station
100 S Main St
Duncanville, Dallas County, Texas 75116

Report Date: November 4, 2024

FOR:

Economic Development Director
Mr. Victor Barrera
203 E. Wheatland Road
Duncanville, Texas 75116

Valbridge Property Advisors | Dallas

10210 North Central Expressway, Suite 115
Dallas, Texas 75231
(214) 446-1611 phone

valbridge.com

Valbridge File Number:
TX03-24-1275-000

10210 North Central Expressway
Suite 115
Dallas, Texas 75231
(214) 446-1611 phone
valbridge.com

November 4, 2024

Mr. Victor Barrera
Economic Development Director
203 E. Wheatland Road
Duncanville, Texas 75116

RE: Appraisal Report
Duncanville Main Station
100 S Main St
Duncanville, Dallas County, Texas 75116

Dear Mr. Barrera:

In accordance with your request, an appraisal of the above referenced property was performed. This appraisal report sets forth the pertinent data gathered, the techniques employed, and the reasoning leading to the value opinions. This letter of transmittal does not constitute an appraisal report and the rationale behind the value opinion(s) reported cannot be adequately understood without the accompanying appraisal report.

The subject property, as referenced above, is located on the southeast corner of W Center Street and S Main Street and is further identified as tax parcel number 220995900A0010000. The subject site is a 1.309-acre or 57,024-square-foot parcel. The subject is a two-story, tenant occupied, mixed use retail property. The improvements consist of 22,347 square feet in two buildings which were constructed in 2003. The subject was at stabilized occupancy of 95.2% at the time of this assignment. The subject has average functional utility and competitive rating.

The analyses, opinions, and conclusions were developed, and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client.

The client in this assignment is Economic Development Director and the intended users of this report are Duncanville Community and Economic Development Corporation and no others. The intended use is for internal-decision making. The value opinions reported herein are subject to the definitions, assumptions, limiting conditions, and certifications contained in this report.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None pertaining to this assignment

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Hypothetical Conditions:

- None pertaining to this assignment

The value conclusions are based on the analysis in the following report and presented in the following table:

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Leased Fee
Effective Date of Value	October 28, 2024
Value Conclusion	**$4,700,000**
	$210.32 PSF

Respectfully submitted,
Valbridge Property Advisors | Dallas

Jason Wagner, MAI
Senior Appraiser
Texas License #TX-1380458-G
jwagner@valbridge.com

Mike Divin, MAI
Senior Managing Director
Texas License #TX-1320831-G
mdivin@valbridge.com

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Summary of Salient Facts

Property Identification

Property Name	Duncanville Main Station
Property Address	100 S Main St Duncanville, Dallas County, Texas 75116
Latitude & Longitude	32.651581, -96.907488
Census Tract	6931.02
Tax Parcel Number	220995900A0010000
Property Owner	Main Station Duncanville

Site

Zoning	Downtown District/Specific Use (DD/SUP-2384)
FEMA Flood Map No.	48113C0470K
Flood Zone	Flood Zone X (unshaded)
Gross Land Area	1.309 acres
Usable Land Area	1.309 acres

Existing Improvements

Property Use	Mixed Use, Retail, Residential
Occupancy	Tenant Occupied - 95.2%
Gross Building Area (GBA)	24,022 sf
Net Rentable Area (NRA)	22,347 sf
Number of Units	14
Number of Buildings	2
Number of Stories	2
Year Built	2003
Condition	Good
Construction Class	S - Steel Frame
Construction Quality	Good
Surface Parking	87 spaces

Valuation Opinions

Highest & Best Use - As Vacant	Hold for future commercial use
Highest & Best Use - As Improved	Continuation of existing use
Reasonable Exposure Time	12 months
Reasonable Marketing Time	12 months

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Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	$4,900,000
Effective Gross Income Multiplier	$4,690,000
Income Capitalization	
Direct Capitalization	$4,500,000

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Leased Fee
Effective Date of Value	October 28, 2024
Value Conclusion	**$4,700,000**
	$210.32 PSF

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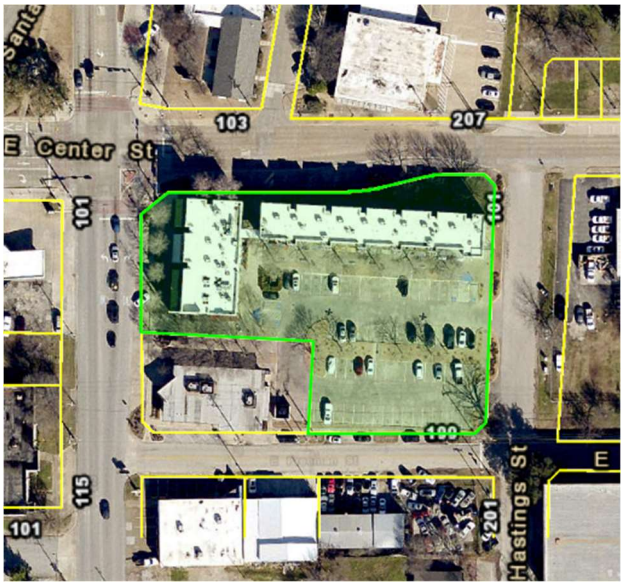
Aerial and Front Views

AERIAL VIEW



FRONT VIEW

Location Map

Introduction

Client and Intended Users of the Appraisal

The client in this assignment is Economic Development Director and the intended users of this report are Duncanville Community and Economic Development Corporation.

Intended Use of the Appraisal

The intended use of this report is for internal-decision making.

Real Estate Identification

The subject property is located at 100 S Main St, Duncanville, Dallas County, Texas 75116. The subject property is further identified by the tax parcel number 220995900A0010000.

Legal Description

Being lot 1, block A of Main Station Addition, an addition to the City of Duncanville, Dallas County, Texas, according to the plat thereof recorded in volume 2003018, page 39 of the map records of Dallas County, Texas.

Use of Real Estate as of the Effective Date of Value

As of the current date of value, the subject was a mixed use, retail, residential property.

Use of Real Estate as Reflected in this Appraisal

The current opinion of value for the subject property reflects use as a mixed use, retail, residential property.

Ownership of the Property

According to public records, title to the subject property is vested in Main Station Duncanville.

History of the Property

Ownership of the subject property has not changed within the past three years.

Active Listing/Offer/Contract

The subject property was not being marketed for sale and there were no unsolicited offers or pending contracts for sale.

Type and Definition of Value

Market value is defined as the "most probable price, as of a specified 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 duress."[1]

[1]Appraisal Institute, *The Dictionary of Real Estate Appraisal*, (7TH ed.). Chicago, Illinois: Appraisal Institute.

Valuation Scenarios, Property Rights Appraised, and Effective Dates of Value

Opinions of value for the subject property were developed under the following valuation scenarios:

Valuation Scenario	Effective Date of Value
As Is Market Value of the Leased Fee Interest	October 28, 2024

Date of Report

The date of this report is November 4, 2024.

List of Items Requested but Not Provided

- All required information provided

Assumptions and Conditions of the Appraisal

This appraisal assignment and the opinions reported herein are subject to the General Assumptions and Limiting Conditions contained in the report and the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results.

Extraordinary Assumptions

- None pertaining to this assignment

Hypothetical Conditions

- None pertaining to this assignment

Scope of Work

The elements addressed in the Scope of Work are (1) the extent to which the subject property is identified, (2) the extent to which the subject property is inspected, (3) the type and extent of data researched, (4) the type and extent of analysis applied, (5) the type of appraisal report prepared, and (6) the inclusion or exclusion of items of non-realty in the development of the value opinion. These items are discussed as below.

Extent to Which the Property Was Identified

The three components of the property identification are summarized as follows:

- Legal Characteristics - The subject was legally identified via survey.
- Economic Characteristics - The subject property economic characteristics were identified via information provided by the client, property owner, market surveys, public information, discussions with market participants, and our database.
- Physical Characteristics - The subject property physical characteristics were identified via information provided by the client, property owner, market surveys, public information, discussions with market participants, and our database.

Extent to Which the Property Was Inspected

An appraisal inspection of the subject property that consisted of exterior and interior observations was completed on October 28, 2024. The improvements were not measured during the course of the inspection.

Type and Extent of Data Researched

The following data was researched and analyzed: (1) market area data, (2) property-specific market data, (3) zoning and land-use data, and (4) current data on comparable listings and transactions. Professionals familiar with the subject market/property type were also interviewed.

Type and Extent of Analysis Applied (Valuation Methodology)

Surrounding land use trends, the condition of any improvements, demand for the subject property, and relevant legal limitations were observed in the process of concluding a highest and best use for the subject property. The subject property was then valued based on the highest and best use conclusion.

Appraisers develop an opinion of property value with specific appraisal procedures that reflect three distinct methods of data analysis: the cost approach, sales comparison approach, and income capitalization approach. One or more of these approaches are used in all estimations of value.

- Cost Approach - In the cost approach, the value indication reflects the sum of current depreciated replacement or reproduction cost, land value, and an appropriate entrepreneurial incentive or profit.
- Sales Comparison Approach - In the sales comparison approach, value is indicated by recent sales and/or listings of comparable properties in the market, with the appraiser analyzing the

impact of material differences in both economic and physical elements between the subject and the comparables.

- Income Capitalization Approach - In the income capitalization approach, value is indicated by the capitalization of anticipated future income. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

All these approaches to value were considered. The availability of data and applicability of each approach to value within the context of the characteristics of the subject property, along with the needs and requirements of the client, were assessed. Based on this assessment, the Sales Comparison and Income Capitalization Approaches were developed. The specific methods and analysis of each approach are further discussed in the respective valuation sections.

Appraisal Conformity and Report Type

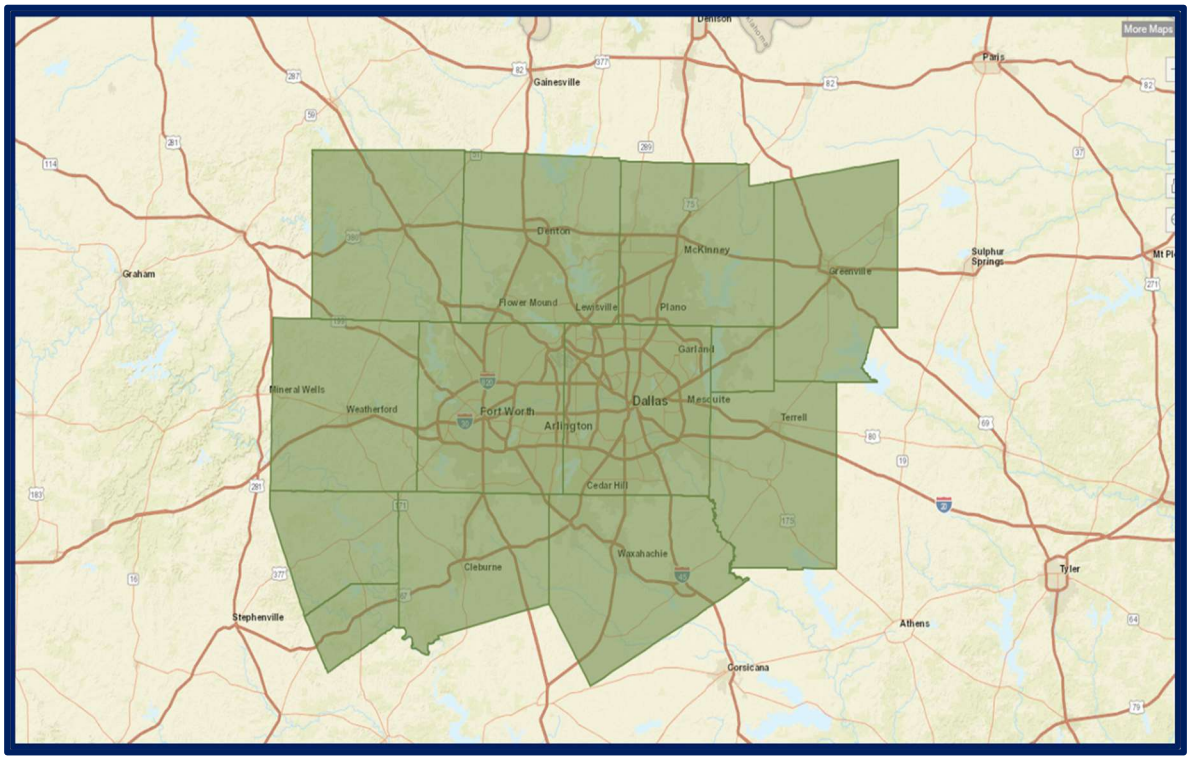
The analyses, opinions, and conclusions were developed and this report was prepared in conformity with the Uniform Standards of Professional Appraisal Practice (USPAP) of the Appraisal Foundation; the Code of Professional Ethics and Standards of Professional Practice of the Appraisal Institute; and the requirements of our client. This is an Appraisal Report as defined by the Uniform Standards of Professional Appraisal Practice under Standards Rule 2-2a.

Personal Property/FF&E

All items of non-realty are excluded from this analysis. The opinion of market value developed herein is reflective of real estate only.

Regional and Market Area Analysis

REGIONAL MAP



Overview

The subject is located in Duncanville, in Dallas County. It is part of the Dallas MSA. This MSA is comprised of Collin, Dallas, Denton, Ellis, Hunt, Johnson, Kaufman, Parker, Rockwall, Tarrant, Hood, Somervell, and Wise counties. Also referred to as the North Texas region, it benefits from its central location within the US and the confluence of several interstate highways (IH-20, IH-30, IH-45, IH-35). The Dallas-Fort Worth International Airport provides direct national and international flights, and all major rail lines serve the area.

Economy

Although located in Texas, the North Texas economy is diversified and less dependent on the oil and gas industry than other regions of the state. The Dallas/Fort Worth/Arlington MSA boasts the 6th highest GDP in the United States and highest in the state, one spot ahead of the Houston/ Woodlands/Sugar Land MSA. Texas has the second largest state economy in the country, with its GDP rivaling that of Italy.

Economy

Dallas-Fort Worth Retail

Dallas-Fort Worth is a leader in economic and demographic growth in the country. The market has added the most jobs relative to other MSAs since March 2020, adding 450,000 to its payrolls. While the rebound has been impressive, the pace of growth is slowing, tracing a similar pattern in the national labor market. Dallas-Fort Worth's employment base grew 1.4% in the 12 months ending August 2024, on par with the U.S. norm of 1.7%. The slowdown is most pronounced in higher-paying segments such as Information and Professional & Business Services, while Healthcare and Government remain leaders for job growth. Construction jobs lead the market on a percentage basis, up 4% over the past year. On the demographic front, the metro added 153,000 new residents from 2022 to 2023, according to the latest data from the U.S. Census Bureau, taking the top spot at a national level. The majority of growth is found in northern suburban counties, led by Collin and Denton Counties.

Thanks to the region's low cost of doing business and highly skilled labor force, companies have relocated or expanded operations across various sectors. The financial services sector has made an outsized impact, with Goldman Sachs and Wells Fargo announcing the construction of regional campuses employing a combined 9,000 employees. In 2019, Charles Schwab announced acquiring TD Ameritrade in a $26 billion transaction, moving its headquarters to Tarrant County from San Francisco. Charles Schwab completed a new regional office, and TD Ameritrade completed a large project nearby.

North Texas has attracted companies from other industries. In 2017, Toyota moved into its 2 million SF North American headquarters at the Legacy West development in Plano. The company relocated its sales, engineering, and financial services operations from California, bringing about 4,000 jobs. Caterpillar relocated its headquarters to Irving from Peoria, Illinois; the heavy equipment manufacturer first moved its electric power division to the area. Engineering giant AECOM announced the relocation of its global headquarters from Los Angeles to Dallas. McKesson Corp, the nation's largest pharmaceutical distributor, relocated its headquarters to Irving. USAA added a 150,000-SF office building adjacent to its existing Plano location to bring the total headcount to 2,000 in north Texas, up by 800 employees.

State Farm finished its regional expansion in 2016 and occupied 2 million SF in Richardson's CityLine development. Another major headliner is Liberty Mutual Insurance, which has added around 5,000 jobs in Legacy West. Existing employers like AT&T, 7-Eleven, JPMorgan Chase, USAA, and Fannie Mae are regional stalwarts in terms of major employers. Relative low cost and ease of doing business, its central location within the U.S. with access to major airports, continued population growth and economic competitiveness are all ingredients that will continue to fuel demand for commercial and residential real estate in North Texas. Even so, some headwinds have emerged, including eroding housing affordability and strained infrastructure due to suburban sprawl.

DALLAS-FORT WORTH EMPLOYMENT BY INDUSTRY IN THOUSANDS

	CURRENT JOBS		CURRENT GROWTH		10 YR HISTORICAL		5 YR FORECAST	
Industry	Jobs	LQ	Market	US	Market	US	Market	US
Manufacturing	312	0.9	0.80%	0.40%	1.75%	0.62%	0.66%	0.33%
Trade, Transportation and Utilities	910	1.1	1.33%	0.83%	2.81%	1.00%	0.92%	0.28%
Retail Trade	401	0.9	1.39%	0.86%	1.60%	0.24%	0.66%	0.21%
Financial Activities	381	1.5	1.63%	0.38%	3.56%	1.47%	1.35%	0.35%
Government	481	0.8	1.47%	2.20%	1.73%	0.66%	0.93%	0.51%
Natural Resources, Mining and Construction	257	1.1	3.02%	2.34%	2.75%	2.26%	0.95%	0.72%
Education and Health Services	518	0.7	2.94%	3.48%	2.67%	2.07%	1.26%	0.76%
Professional and Business Services	797	1.3	0.93%	0.82%	3.91%	1.81%	1.33%	0.59%
Information	95	1.2	1.42%	0.58%	1.59%	1.02%	0.52%	0.54%
Leisure and Hospitality	437	0.9	2.05%	2.23%	2.71%	1.47%	1.40%	0.98%
Other Services	142	0.9	4.99%	1.40%	1.77%	0.61%	0.85%	0.49%
Total Employment	**4,330**	**1.0**	**1.74%**	**1.65%**	**2.76%**	**1.33%**	**1.10%**	**0.56%**

Source: Oxford Economics
LQ = Location Quotient

Population

The greater Dallas/Fort Worth/Arlington MSA is the fourth largest metropolitan area in US with nearly eight million people, behind only the New York/Newark/Jersey City, Los Angeles/Long Beach/Anaheim, and Chicago/Naperville/Elgin MSAs. Population characteristics relative to the subject property are presented in the following table.

Population

Area	Census Population (2020)	Current Population (2024)	Compound Annual Δ 2020 - 2024	Projected Population (2029)	Compound Annual Δ 2024 - 2029
United States	331,449,520	335,707,897	0.32%	343,238,675	0.44%
Texas	29,145,505	30,857,478	1.44%	32,581,174	1.09%
Dallas-Fort Worth-Arlington, TX (MSA)	7,637,387	8,195,415	1.78%	8,811,074	1.46%
Dallas County	2,613,539	2,653,596	0.38%	2,704,483	0.38%
Duncanville city	40,706	39,412	-0.80%	38,179	-0.63%

Source: ESRI (ArcGIS)

DFW Transportation and Linkages

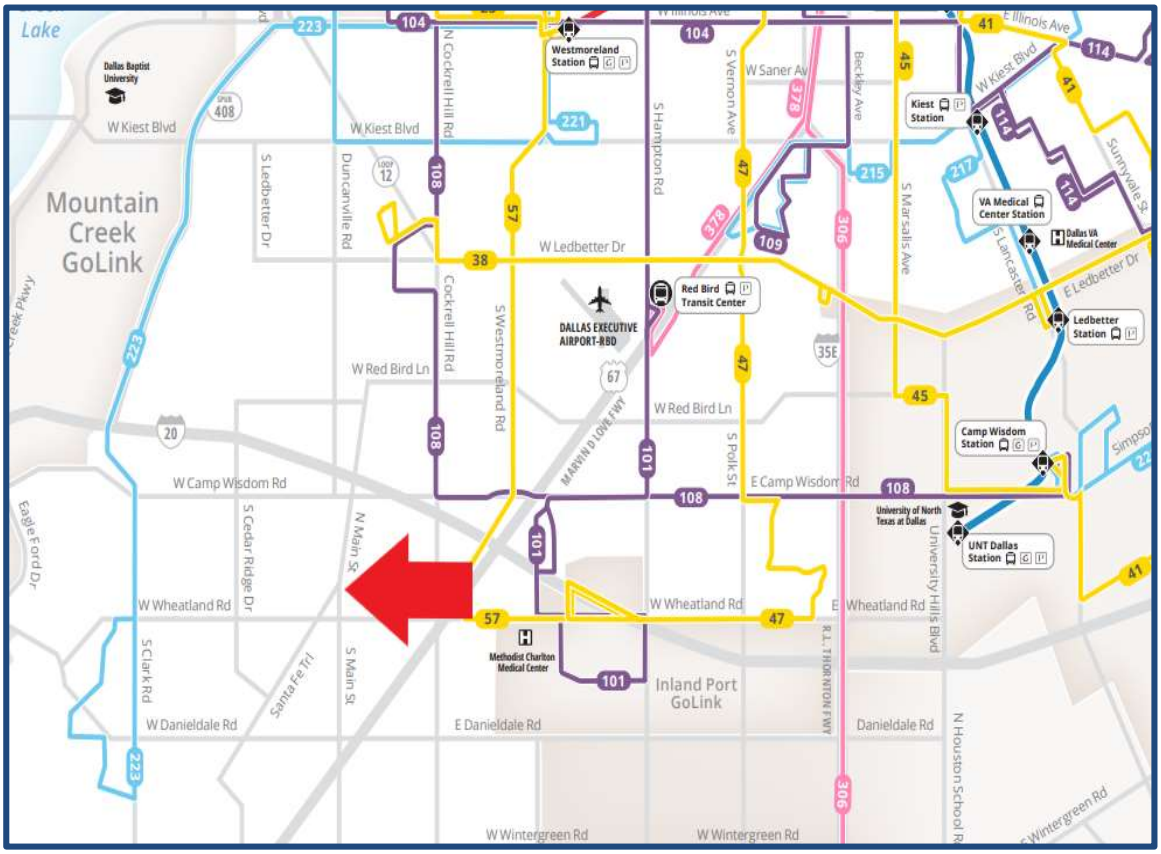
Interstates and Highways

East-West Interstates 20 and 30, along with North-South Interstates 35 and 45, link the region with industrial, commercial, and agricultural centers in the nation. Other auxiliary interstates/highways have improved linkage within the MSA and helped drive growth, such as US-75 (Central Expressway), The Dallas North Tollway north of US-380, Loop 190 (President George Bush Turnpike), and State Highways 114/121/183. Interstate 635 provides a half inter-loop for access from the east side of Dallas to the north side of the City of Dallas and west to DFW international Airport. PGBT provides an outer-loop from I-30 on the east side of Dallas, to the north up into the City of Garland, then west through Cities of Richardson and Plano to City of Carrollton before turning south and bisecting Dallas area and the Fort Worth side of the metro.

There is one primary office node in between Dallas and Fort Worth, and that is Las Colinas/Irving. The other nodes are CBD Dallas, uptown, and in North Dallas as well as the Fort Worth CBD. Most offices are positioned near or with good access to highways to reach more employee rooftops. Hotels fill in near office properties and other entertainment and restaurant properties. Typically, traditional industrial is developed on the outskirts of town (and near highways) where there is an abundance of large flat parcels available for development. The primary exception to this is when industrial properties are near airports, like Dallas-Fort Worth International. Due to growth of Dallas-Fort Worth, there are existing industrial properties in infill locations. Retail and shopping centers are typically between employers and most types of residential.

Public Transit

No second-generation transit system has had more impact on a city's growth than the Dallas Area Rapid Transit (DART) system. DART is the longest light rail system in the US, with over 93 miles of track. DART is a multimodal system of buses, HOV lanes, and two types of trains; it covers 700 square miles; and cities join DART by dedicating 1% of sales tax to transit. One of the added benefits to the light rail stations is the transit-oriented developments (TOD) that accompany them, such as Cityplace and Mockingbird Stations. The current DART system consists of four light rail lines (red, blue, green, and orange). DART started with 11 miles of light rail in the summer of 1996 with the red and blue lines and now serves 13 cities and has expanded to 65 stations across Dallas. DART has not seen an expansion of the light rail system since 2016 when the blue line added two stops to the UNT Dallas campus. There is planned expansion of the blue, green, and orange lines in 2028 which would provide more stops and connections within the existing infrastructure. DART's red Line is the only line which has plans to expand outside its current infrastructure. The red line caters to the mobility needs of the City of Dallas' development and follows the alignment of the North Central Expressway from downtown Dallas to Plano. The red line can expand to the City of Allen if the city can commit the required 1% city sales tax to the system. We have provided the DART system map below.



Air Transportation

Dallas/Fort Worth International Airport is halfway between the central business districts of both Dallas and Fort Worth. In 2020 it was the fourth busiest airport by passenger traffic in the world. The airport includes five terminals and 184 gates and is the largest hub for American Airlines. The airport includes an automated people mover and a high-speed train system that links the airport to the DART rail and multiple on-site hotel accommodations. American Airlines and DFW airport announced in May 2019 that they will construct a new terminal F with a projected cost of ~$3.5B with an expected completion date of 2025.

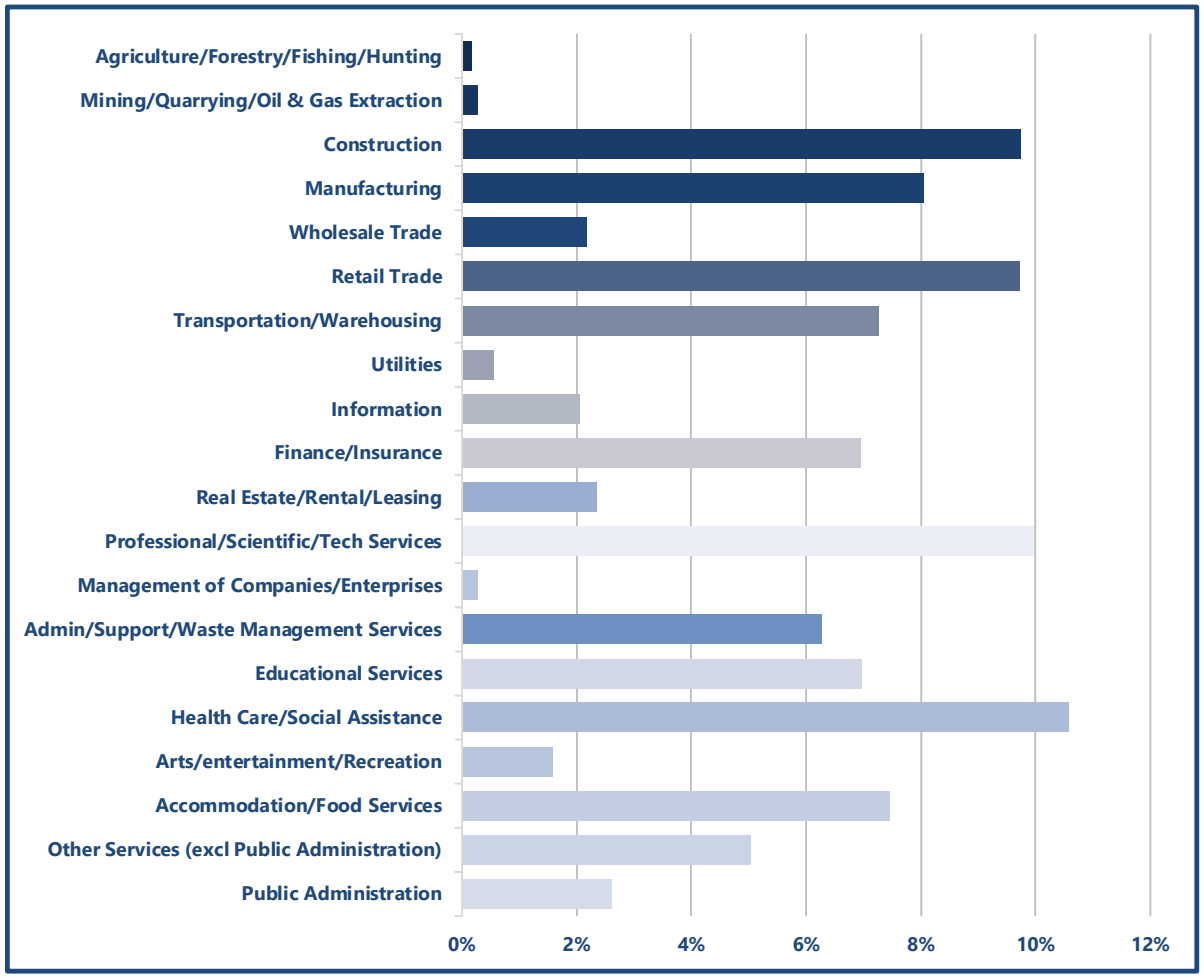
In addition to DFW Airport, there are two ancillary airports in the area: Alliance Airport and Dallas Love Field. Alliance Airport, north of Fort Worth, is the nation's first major airport devoted strictly to commercial use. Alliance is approximately 15 miles north of the Fort Worth CBD and 15 miles northwest of DFW airport. The area surrounding the Alliance Airport continues to grow as an industrial node for manufacturing and distribution industry. In January 2023, the City of McKinney announced that they are considering allowing commercial air service from the McKinney airport, which currently only handles private aircraft.

Dallas Love Field, the other major passenger airport in the area, is eight miles north of downtown Dallas. Love Field was at one time Dallas' primary airport, but Southwest Airlines, Delta Airlines, and Alaska Airlines are the only airlines currently operating out of the facility. Flights out of Love Field had been limited to adjoining states by the Wright Amendment until October 2014. When the Wright Amendment was fully retired, long-haul flights were allowed which provided Love field an influx of flights/growth; direct international flights are still not allowed. Dallas Love Field is the top

rated 'large' airport in North America (DFW International is included in the 'mega' airport category; the mega category includes the US' 20 busiest airports by passenger volume while the next 27 airports are categorized as large airports) and today is the 33rd-busiest airport in the US.

Employment

Traditionally, the area's dominant industries include professional and business services, government, education, health services, retail trade, and wholesale trade. The greater Dallas area historically has been a service and trade-based economy, while the greater Fort Worth area has included a higher percentage of manufacturing and transportation jobs driving the economy. The North Texas economy has been strong over the past several years due to growth in corporate relations and new campuses opening in the area. Employment by industry for the MSA is presented in the following chart:



Employment by Industry for Dallas County - Source: ESRI (ArcGIS)

Unemployment

The following table exhibits current and past unemployment rates as obtained from the Bureau of Labor Statistics. Overall, the region compares favorably to the state and the country.

Unemployment Rates

Area	YE 2019	YE 2020	YE 2021	YE 2022	YE 2023	2024[1]
United States	3.7%	8.1%	5.3%	3.6%	3.6%	3.9%
Texas	3.5%	7.7%	5.6%	3.9%	3.9%	4.4%
Dallas-Fort Worth-Arlington, TX (MSA)	3.3%	7.1%	5.1%	3.6%	3.7%	4.1%
Dallas County, TX	3.5%	7.8%	5.6%	3.8%	3.8%	4.2%
Duncanville city, TX	4.1%	8.7%	6.2%	4.1%	4.2%	4.3%

Source: www.bls.gov *data not seasonally adjusted; [1]September - most recent for US, others lag by 1-2 mos.)*

Median Household Income

Total median household income for the region is presented in the following table. Overall, the subject's MSA and county compare favorably to the state and the country.

Income

Area	2024 Median HH Income	2024 Average HH Income	2024 Per Capita Income
United States	$72,233	$104,831	$41,000
Texas	$77,169	$109,810	$39,971
Dallas-Fort Worth-Arlington, TX (MSA)	$88,391	$123,641	$44,980
Dallas County	$72,796	$110,435	$41,294
Duncanville city	$67,894	$94,422	$31,893

Source: ESRI (ArcGIS)

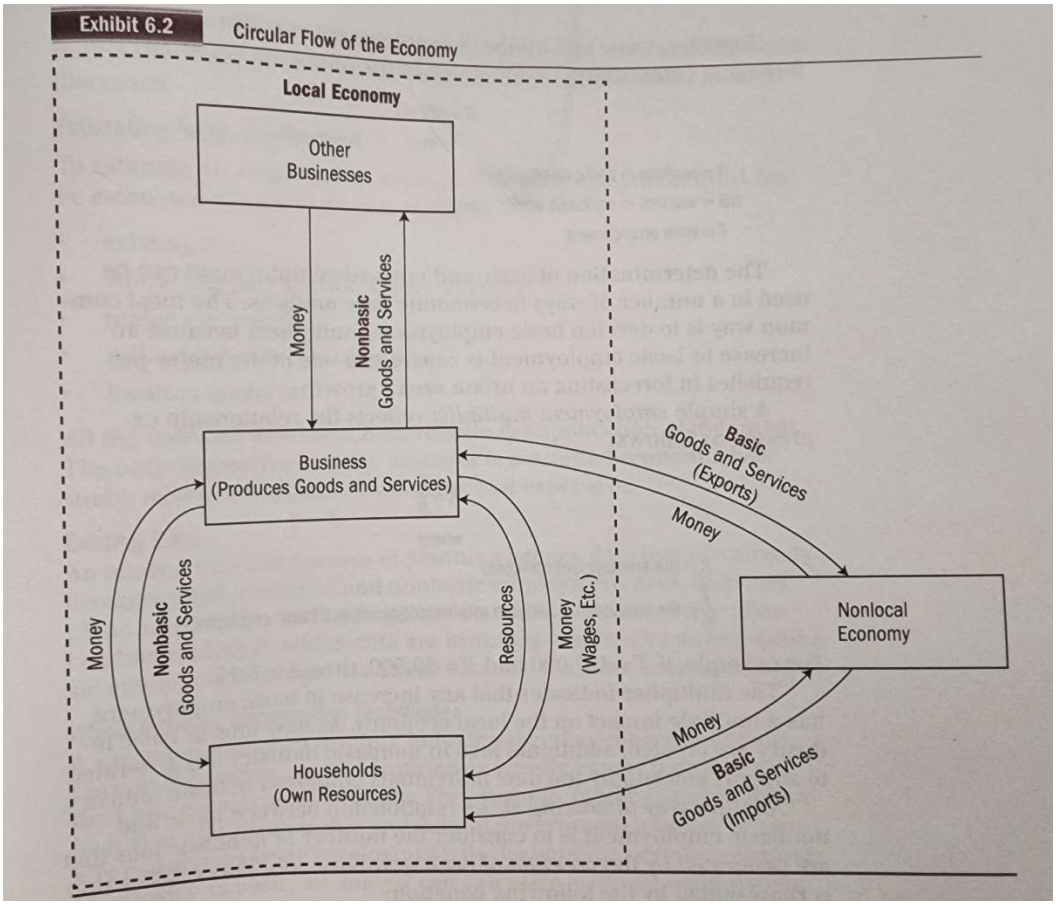
DFW Economic Base

Overall, the MSA is tightly connected despite its sprawling nature. Dallas' reputation is centered around finance, high tech, telecommunications, and trade, while Fort Worth is traditionally known more for manufacturing and distribution. Dallas is a major financial center, home to both the 11th district of the Federal Reserve Bank and the 9th district of the Federal Home Loan Bank. While the Fort Worth economic base is a diversified blend of aerospace industry, high-technology research, and development, corporate management, manufacturing, and commercial activities. Fort Worth has more than 120 industrial parks and 15,800 acres zoned for industrial use within a 10-mile radius of downtown. Fortune 500 companies headquartered in the MSA include: ExxonMobil (who will be moving their HQ to Houston in 2023), McKesson, AT&T, American Airlines, CBRE, TD Ameritrade/Charles Swab, and Southwest Airlines.

Industry	Employed	Percent	US Percent	2023 Location Quotient	2021 Location Quotient	% Change	Industry
Total	4,184,108	100.0%	100.0%	-			
Agriculture/Forestry/Fishing	12,273	0.3%	1.1%	0.27	0.23	17%	Agriculture/Forestry/Fishing
Mining/Quarrying/Oil & Gas	18,398	0.4%	0.4%	1.00	1.40	-29%	Mining/Quarrying/Oil & Gas
Construction	331,402	7.9%	7.0%	1.13	1.15	-2%	Construction
Manufacturing	378,969	9.1%	10.0%	0.91	0.86	6%	Manufacturing
Wholesale Trade	91,485	2.2%	1.9%	1.16	1.20	-3%	Wholesale Trade
Retail Trade	433,338	10.4%	10.4%	1.00	1.14	-12%	Retail Trade
Transportation/Warehousing	303,979	7.3%	5.5%	1.33	1.38	-4%	Transportation/Warehousing
Utilities	26,656	0.6%	0.8%	0.75	0.78	-4%	Utilities
Information	89,560	2.1%	1.9%	1.11	1.11	0%	Information
Finance/Insurance	307,127	7.3%	5.0%	1.46	1.49	-2%	Finance/Insurance
Real Estate/Rental/Leasing	87,364	2.1%	1.8%	1.17	1.14	3%	Real Estate/Rental/Leasing
Professional/Scientific/Tech	399,458	9.5%	8.6%	1.10	1.13	-3%	Professional/Scientific/Tech
Management of Companies	12,479	0.3%	0.1%	3.00	1.00	200%	Management of Companies
Admin/Support/Waste Management	216,314	5.2%	4.4%	1.18	1.08	9%	Admin/Support/Waste Management
Educational Services	337,731	8.1%	9.2%	0.88	0.87	1%	Educational Services
Health Care/Social Assistance	447,525	10.7%	13.6%	0.79	0.76	4%	Health Care/Social Assistance
Arts/Entertainment/Recreation	69,369	1.7%	2.2%	0.77	0.69	12%	Arts/Entertainment/Recreation
Accommodation/Food Services	288,290	6.9%	6.7%	1.03	1.04	-1%	Accommodation/Food Services
Other Services (Excluding Public)	204,470	4.9%	4.7%	1.04	1.04	0%	Other Services (Excluding Public)
Public Administration	127,921	3.1%	4.8%	0.66	0.67	-1%	Public Administration

We use the Location Quotient (LQ) method above to support the economic base conclusions. The LQ method is a measurement of employment as compared to the nation on a percentage basis. Any LQ

of over 1.0, that industry is exporting those (basic) goods/services outside the MSA. Under 1.0 indicates that the population within the community is consuming those (non-basic) goods/services. See circular flow of economy below.



To the right of the LQ table above, we present the 2021 LQ for DFW to measure in what industries we are growing. As we can see the largest is Management of Companies. We have witnessed many HQ's moving to DFW over the last few years and this is supporting evidence of that. Over 21 headquarters have moved to DFW in 2021, including two Fortune 500 companies: Charles Schwab and AECOM. In the last 11 years, 176 headquarters have moved to the DFW region, creating more than a million new jobs.

DFW Manufacturing and Industrial Space

Prominent manufacturers in the metroplex include Raytheon, Texas Instruments (TI), Triumph Aerostructures - Vought Aircraft, General Motors, Lockheed Martin, and Bell Helicopter. All these companies contribute a significant number of jobs and economic development to the manufacturing industry in the greater MSA. Most recently, Raytheon Company opened a 178k square foot plant, a $100M investment, in McKinney and announced plans to build a second 400k square foot plant/lab by 2025. Lockheed Martin also recently secured Department of Defense contracts valued at over $2B to continue making and maintaining the country's fighter jet fleet. The majority (~57%) of the Lockheed work related to the US' fighter jet fleet program will be performed in Fort Worth.

Texas Enterprise Fund

A major economic growth assistance program for Texas is the Texas Enterprise Fund (TEF). The TEF awards 'deal-closing' grants to companies considering a new project when a site in Texas is competing with other out-of-state sites. The fund serves as a performance-based financial incentive for those companies whose projects would contribute significant capital investment and new employment opportunities to the state's economy.

Conclusions

In conclusion, the Dallas/Fort Worth/Arlington MSA has grown steadily because of a strong diversified economic base, corporate relocations, and the growth of the high-tech and telecommunications industries. The MSA is a microcosm of the state, both urban and rural, with a vibrant and diverse economy. The MSA and its counties have many unique economic conditions and challenges due to its size but that also provides it with many benefits when it comes to future growth. Infrastructure projects are supporting growth throughout the MSA but specifically with large infrastructure projects to the north.

However, rising interest rate in 2022 and early 2023 are the Federal Reserve Bank's attempt to reduce inflation and may lead the nation into a recession, the long-term effects on the greater North Texas area are expected to be minimal compared to other areas throughout the US.

TEXAS Labor Market Information

Dallas-Fort Worth-Arlington MSA

September 2024

MSA Labor Force Statistics

	Sep-24	Aug-24	Sep-23	Yearly Change
Civilian Labor Force	4,516,174	4,497,161	4,392,604	123,570
Employed	4,342,211	4,312,470	4,226,925	115,286
Unemployed	173,963	184,691	165,679	8,284
Unemployment Rate	3.9%	4.1%	3.8%	0.1%

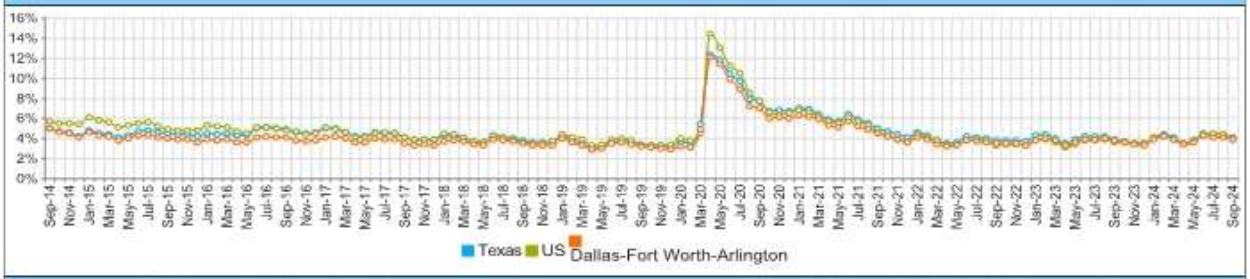
Texas Labor Force Statistics

	Sep-24	Aug-24	Sep-23	Yearly Change
Civilian Labor Force	15,553,143	15,487,554	15,127,091	426,052
Employed	14,920,058	14,810,643	14,529,891	390,167
Unemployed	633,085	676,911	597,200	35,885
Unemployment Rate	4.1%	4.4%	3.9%	0.2%

US Labor Force Statistics

	Sep-24	Aug-24	Sep-23	Yearly Change
Civilian Labor Force	168,569,000	168,783,000	167,718,000	851,000
Employed	162,046,000	161,348,000	161,669,000	377,000
Unemployed	6,524,000	7,435,000	6,049,000	475,000
Unemployment Rate	3.9%	4.4%	3.6%	0.3%

Historical Unemployment Rates



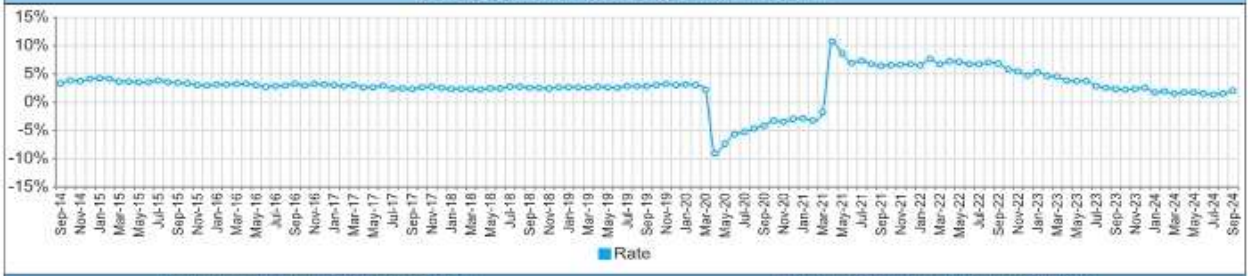
Employment by Size Class (1st Quarter 2024)

QCEW Employment by Size Class data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at https://texaslmi.com/Home/PopularDownloads.

Wages by Industry (in millions) (1st Quarter 2024)

QCEW Wages by Industry data for MSA profiles will be available here in the first quarter of 2025.
Current data and chart can be found in the QCEW tab of Popular Downloads at https://texaslmi.com/Home/PopularDownloads or the QCEW section of LMI by Category at https://texaslmi.com/LMIbyCatagory/QCEW

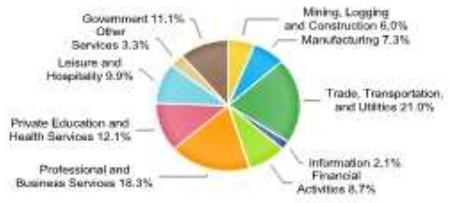
Annual Growth Rate Total Non-agricultural employment



Employment by Industry (September 2024)

Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Nonfarm	4,317,900	0.4%	2.0%
Mining, Logging and Construction	258,600	-0.3%	3.4%
Manufacturing	315,200	-0.6%	2.1%
Trade, Transportation, and Utilities	908,700	0.5%	1.5%
Information	91,800	0.1%	1.2%
Financial Activities	377,800	-0.3%	2.5%
Professional and Business Services	788,400	1.0%	1.3%
Private Education and Health Services	523,000	0.8%	3.3%
Leisure and Hospitality	429,100	-1.0%	0.9%
Other Services	143,900	0.1%	4.8%
Government	481,400	1.5%	1.6%

Employment by Industry (September 2024)



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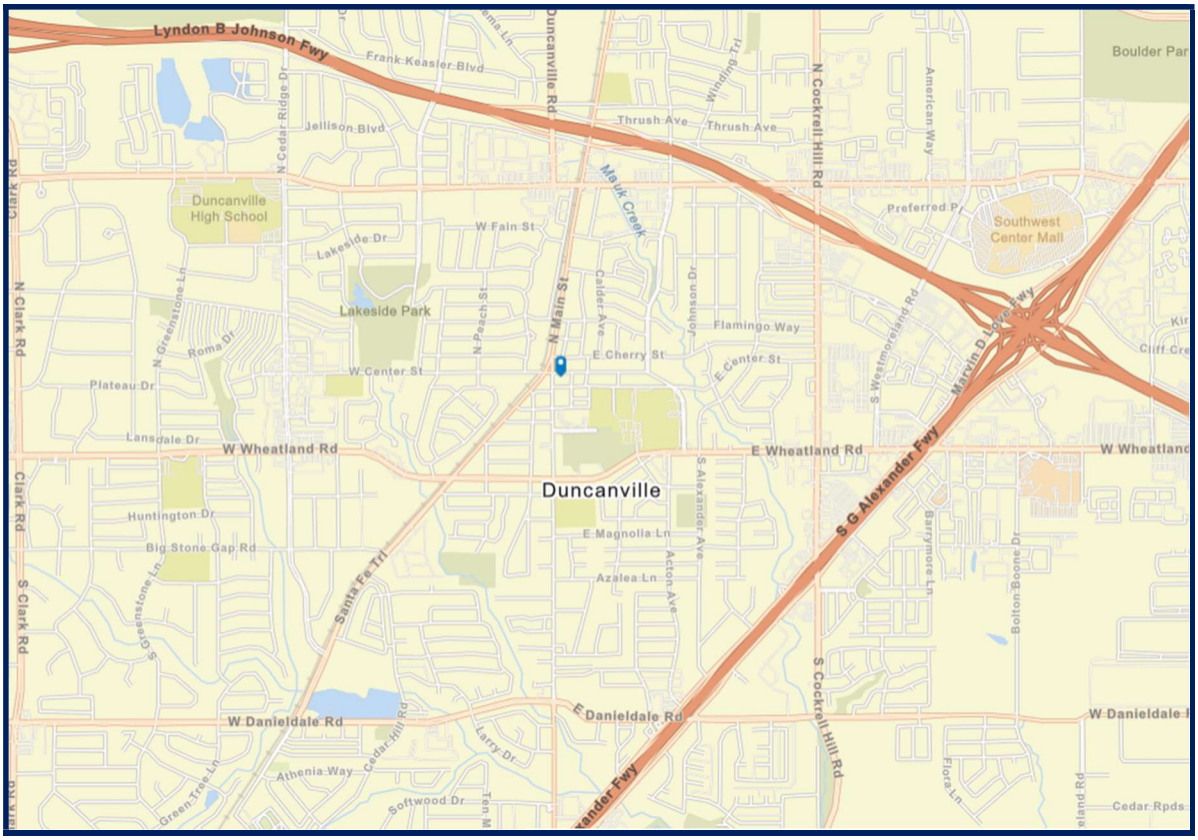
City and Neighborhood Analysis

NEIGHBORHOOD MAP



Overview

The subject is located in Duncanville in Dallas County. As of 2024, the city of Duncanville had a population of 39,412 people. Within the city, the median household income is $67,894.

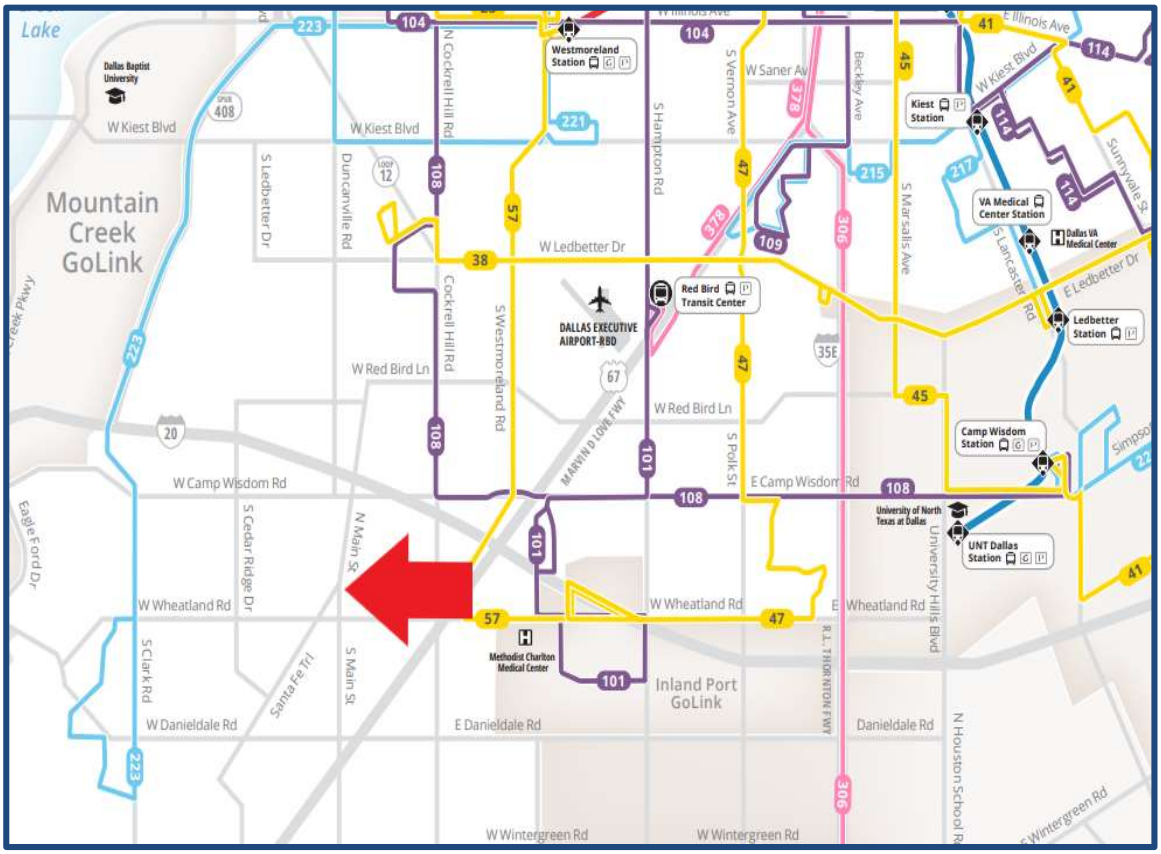
Neighborhood Location and Boundaries

The subject neighborhood is located in the north of Duncanville. The area is suburban in nature.

Transportation Access

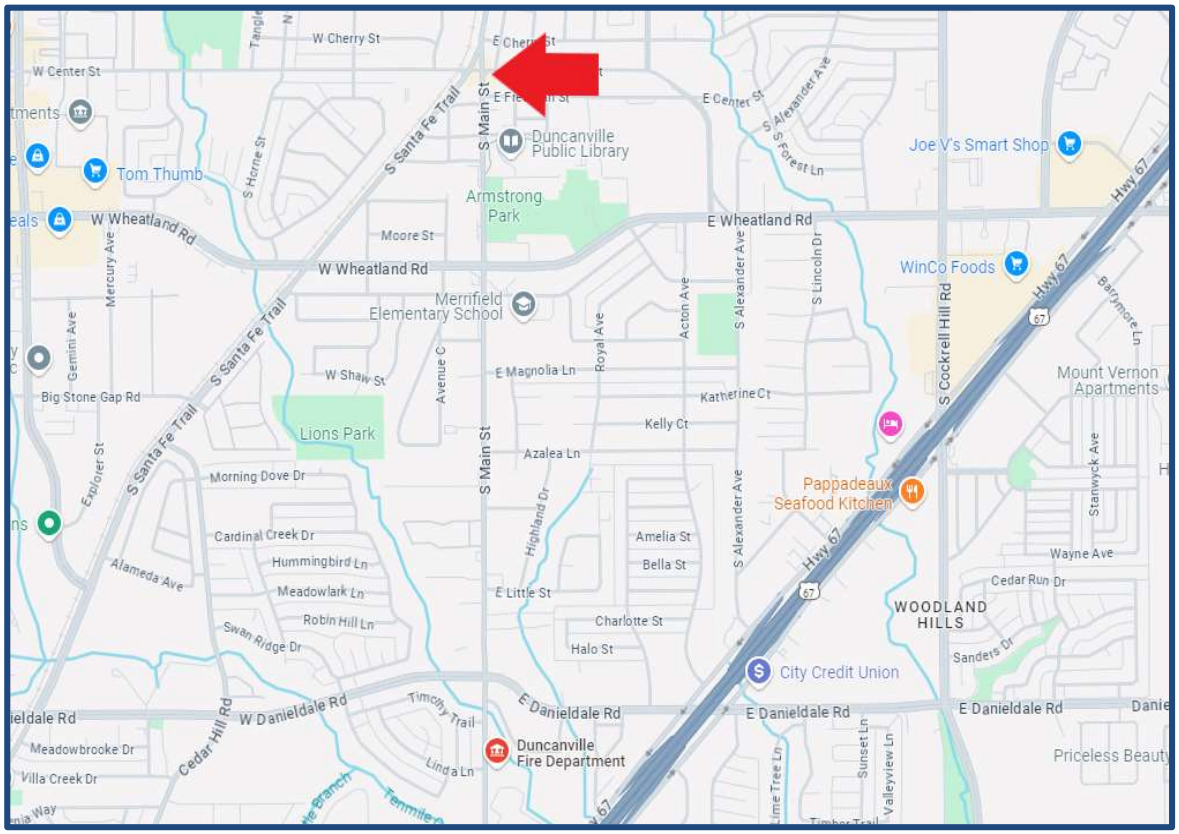
Within the immediate area of the subject property, transportation access helps define the character of its development. Major travel and commuter routes within the area of the subject property include W Center Street, S Main Street, Interstate 20, and Hwy 67. Access to the area is considered average.

DART MAP



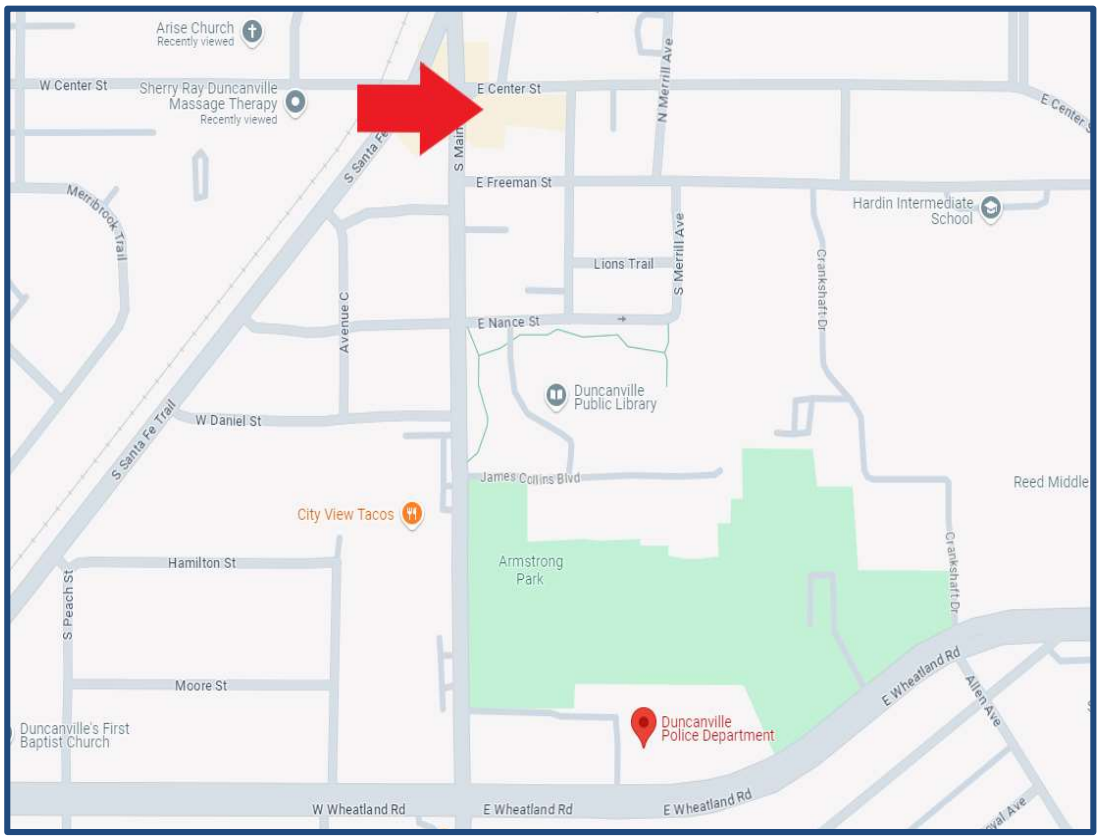
Bus Route 57 is on the east side and Rail Station 223 is on the west side of the subject property.

FIRE STATION MAP



The nearest fire station is south of the subject and on the east side of S Main Street.

POLICE STATION MAP



The nearest police station is southeast of the subject, and on the north side of E Wheatland Road.

Demographics

The following table depicts the area demographics in Duncanville within a 5-, 10-, and 20-minute drive time radius from the subject.

Neighborhood Demographics

Radius (DriveTime)	5 Minutes	10 Minutes	20 Minutes
Trade Area (Sq. Mi.)	n/a - irregular	n/a - irregular	n/a - irregular
Trade Density (Pop/Sq. Mi.)	3,807	2,738	2,641
Population			
Census Population (2010)	26,904	113,835	856,261
Census Population (2020)	28,593	123,869	930,615
Current Population (2024)	27,688	123,170	950,999
Projected Population (2029)	26,843	122,583	975,816
Compound Annual Growth			
2010 - 2020	0.6%	0.8%	0.8%
2020 - 2024	-0.8%	-0.1%	0.5%
2024 - 2029	-0.6%	-0.1%	0.5%
Households			
Census Households (2010)	9,504	41,072	281,338
Census Households (2020)	9,757	43,896	318,774
Current Households (2024)	9,489	43,721	330,048
Projected Households (2029)	9,265	44,080	346,183
Compound Annual Growth			
2010 - 2020	0.3%	0.7%	1.3%
2020 - 2024	-0.7%	-0.1%	0.9%
2024 - 2029	-0.5%	0.2%	1.0%
Average Household Size (2024)	2.89	2.78	2.84

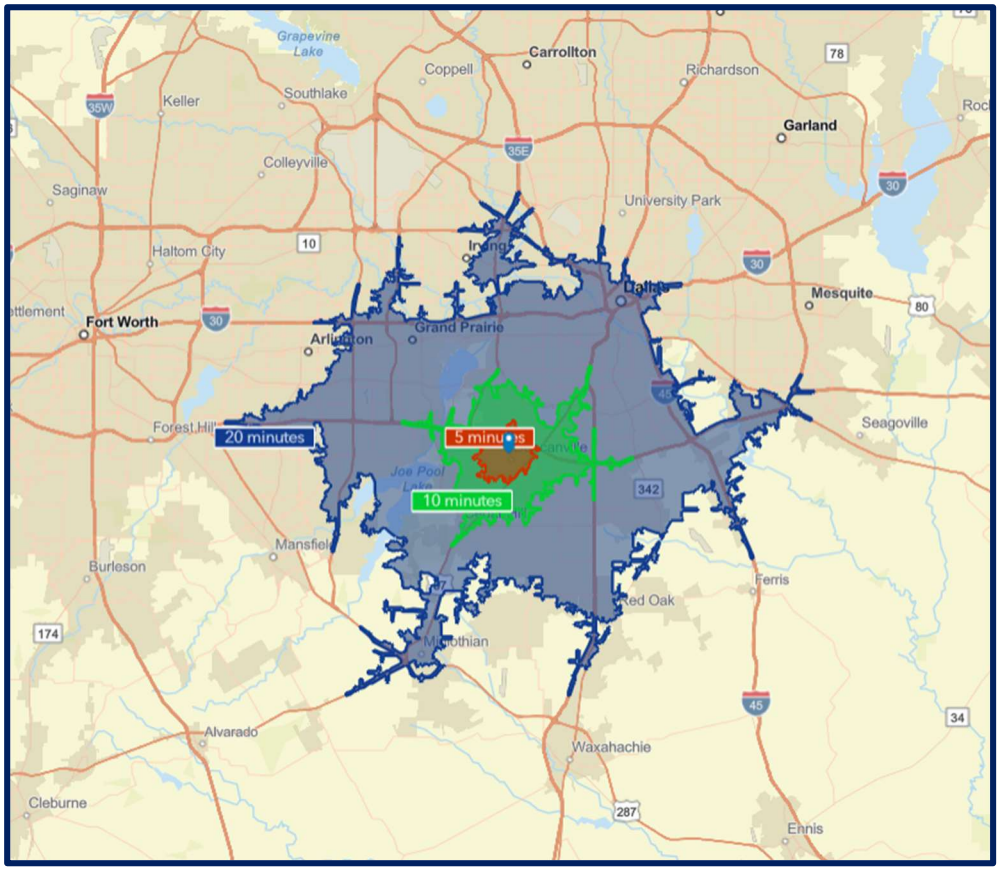
Source: ESRI (ArcGIS) *(Lat: 32.651581, Lon: -96.907488)*

Neighborhood Demographics (cont.)

Radius (DriveTime)	5 Minutes	10 Minutes	20 Minutes
Trade Area (Sq. Mi.)	n/a - irregular	n/a - irregular	n/a - irregular
Trade Density (Pop/Sq. Mi.)	3,807	2,738	2,641
2024 Housing Units			
Median Home Value	$256,801	$283,691	$274,129
Median Year Built	1976	1984	1983
Total Housing Units	9,992	46,117	356,273
Owner-Occupied Housing %	54.1%	51.3%	48.2%
Renter-Occupied Housing %	40.9%	43.5%	44.4%
Vacant Housing %	5.0%	5.2%	7.4%
2024 Employment			
Total Establishments	1,398	4,292	36,257
Total Employees	14,540	57,204	460,737
Average Commute Time	n/a	n/a	n/a
% College Graduates	24.0%	28.1%	27.4%
2024 Income Summary			
Median Household Income	$58,825	$57,614	$64,769
Average Household Income	$78,602	$84,512	$90,995
Avg Spending/Household	$22,906	$24,552	$26,257
Per Capita Income	$27,187	$29,796	$31,648

Source: ESRI (ArcGIS) *(Lat: 32.651581, Lon: -96.907488)*

DRIVE TIME MAP



The population is 123,170 within a ten-minute drive time of the subject property with a projected annual growth rate of -0.1%. There were 46,117 housing units within the ten-minute drive time. Most housing is owner-occupied. The median household income was $57,614 within a ten-minute drive time of the subject property. The median household income figures suggest residents were within the middle-income brackets.

Nuisances & External Obsolescence

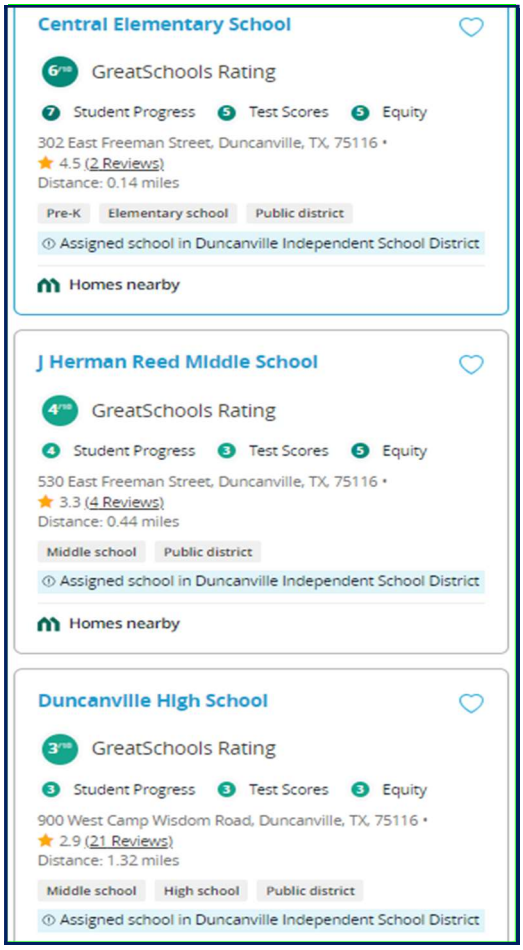
Neighborhood properties have adequate levels of maintenance. No adverse or unfavorable factors were observed.

Neighborhood Life Cycle

Neighborhood life cycles generally occur in order of the following four stages: (1) growth, (2) stability, (3) decline, or (4) revitalization. The subject neighborhood is best classified as being in the stability stage of its life cycle.

Schools

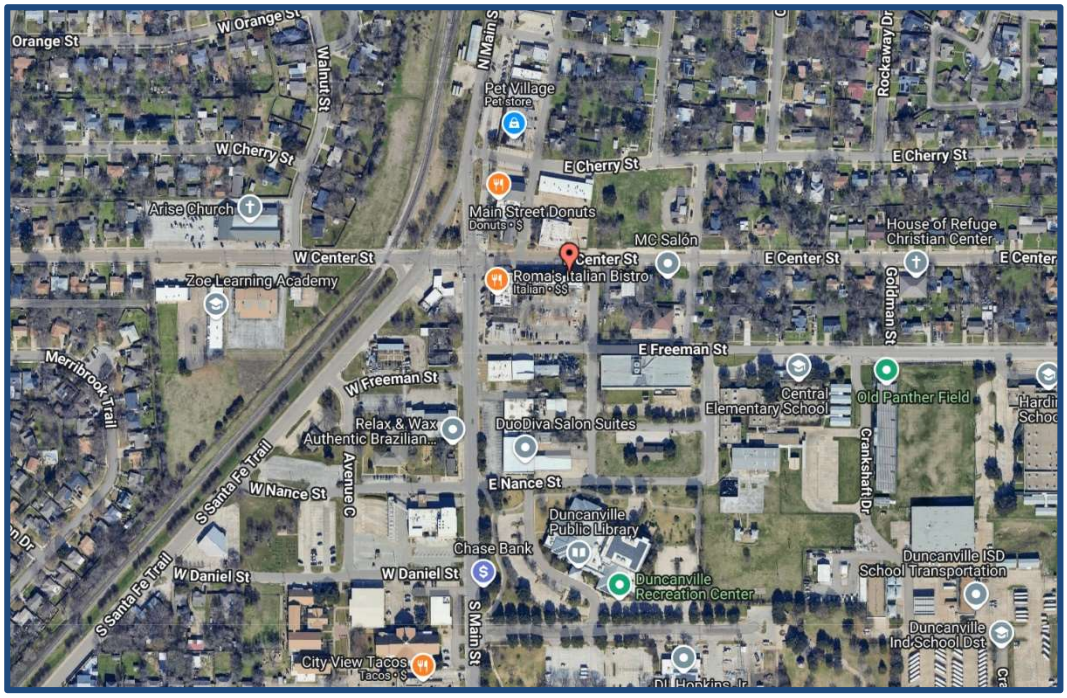
Households in the subject property's area have the following assigned schools and ratings.



Immediate Area Uses

The below aerial photo exhibits the uses located in the subject's immediate vicinity.

IMMEDIATE AREA USES

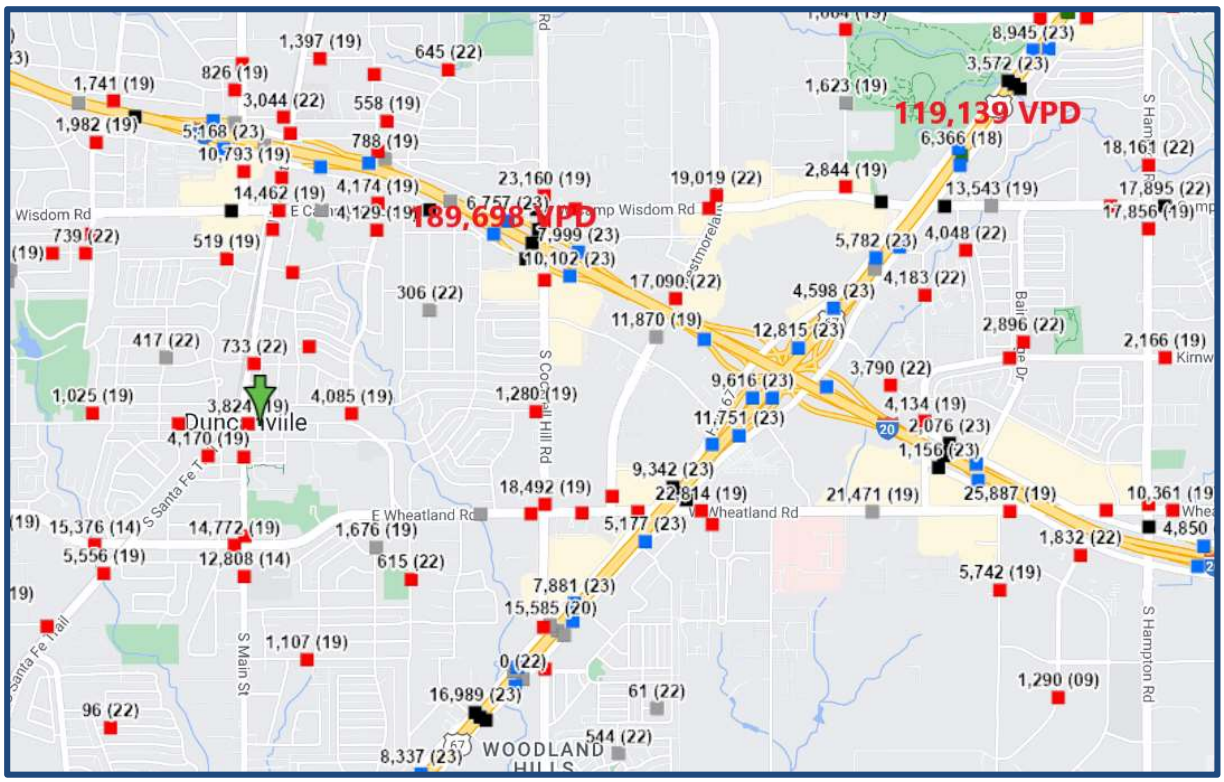


Source: Google

Uses along S Main Street in the vicinity of the subject are primarily residential and commercial in nature.

Recognized uses in the immediate area of the subject include Bubbly Tub DIY Dog Wash- pet groomer, Always Answer- telecommunications and service provider, Duncanville Espectrum office- corporate office, JB Tire Shop, Zoe Learning Academy- school, Sherry Ray Duncanville Massage Therapy, and Arise Church.

TRAFFIC MAP



Based on traffic counts, majority of the patrons access the area via Interstate 20 from the north (189,698 VPD). There is 119,139 VPD on Hwy 67 from the north; which connects to Interstate 20.

A drive of the neighborhood revealed that occupancies in the area are adequate. The area is typical of small towns with no major changes expected.

Analysis and Conclusions

The subject's area is in north Duncanville, which has residential and a variety of commercial properties like- churches, schools, restaurants, offices and other businesses that draws people to the area. As shown above, the 10-minute drive time radius population is expected to decline by 0.10% annually for the next five years.

The subject property is a retail + residential property, which is characterized by the traffic counts/visibility/access to the area as well as the density of the surrounding population and being near anchor stores and near or within large developments. The traffic counts were discussed above.

Site Description

The subject site is located on the southeast corner of W Center Street and S Main Street. The characteristics of the site are summarized as follows:

Site Characteristics

Gross Land Area:	1.309 Acres or 57,024 SF
Usable Land Area:	1.309 Acres or 57,024 SF
Usable Land %:	100.0%
Shape:	Flag
Topography:	Level
Drainage:	Appears adequate
Grade:	Above street grade (moderately)
Utilities:	Public water, sewer, electric and gas
Off-Site Improvements:	Public streets, drainages and utilities
Interior or Corner:	Soft Corner
Signalized Intersection:	Yes - Traffic signal at the site that enhances access
Excess/Surplus Land:	None

Street Frontage / Access

Frontage Road	Primary	Secondary
Street Name:	S Main Street	W Center Street
Street Type:	Two-way, four-lane	Two-way, four-lane
Frontage (Linear Ft.):	107	271
Number of Curb Cuts:	One (Shared Access)	None
Traffic Count (Cars/Day):	10,375 VPD	3,824 VPD

Flood Zone Data

Flood Map Panel/Number:	48113C0470K
Flood Map Date:	07-07-2014
Portion in Flood Hazard Area:	0.00%
Flood Zone:	Flood Zone X (unshaded)
	Designation for areas of minimal flood hazard from the principal source of flood in the area and determined to be outside the 0.2% annual chance floodplain.

Other Site Conditions

Soil Type:	Assumed adequate
Environmental Issues:	No detrimental environmental conditions that would adversely affect value are known to exist. Please see the general assumptions and limiting conditions.

Easements/Encroachments:	Typical utility easements
Earthquake Zone:	Minimal
Wetlands Classification:	N/A

Adjacent Land Uses

North:	Commercial
South:	Commercial
East:	Commercial
West:	Commercial

Site Ratings

Access:	Average
Visibility:	Average

Zoning Designation

Zoning Jurisdiction:	City of Duncanville
Zoning Classification:	DD/SUP-2384, Downtown District/Specific Use Permit
Permitted Uses:	A variety of mixed uses, including retail and residential uses
Zoning Comments:	The purpose of the DD, Downtown Duncanville District is to support a pedestrian-oriented, mixed-use urban development environment, with convenient access to rail transit, shopping, employment, housing, and neighborhood retail services. The current zoning classification contains certain restrictions regarding permitted uses; minimum lot size; yard setbacks; maximum building area; maximum building height; parking; etc. Improvements on the site would need to either 1-) meet these zoning requirements, 2-) be granted a variance by the local zoning authority for areas that do not conform, or 3-) be considered a legal non-conforming use due to the improvements having been built prior to the establishment of the local zoning guidelines.

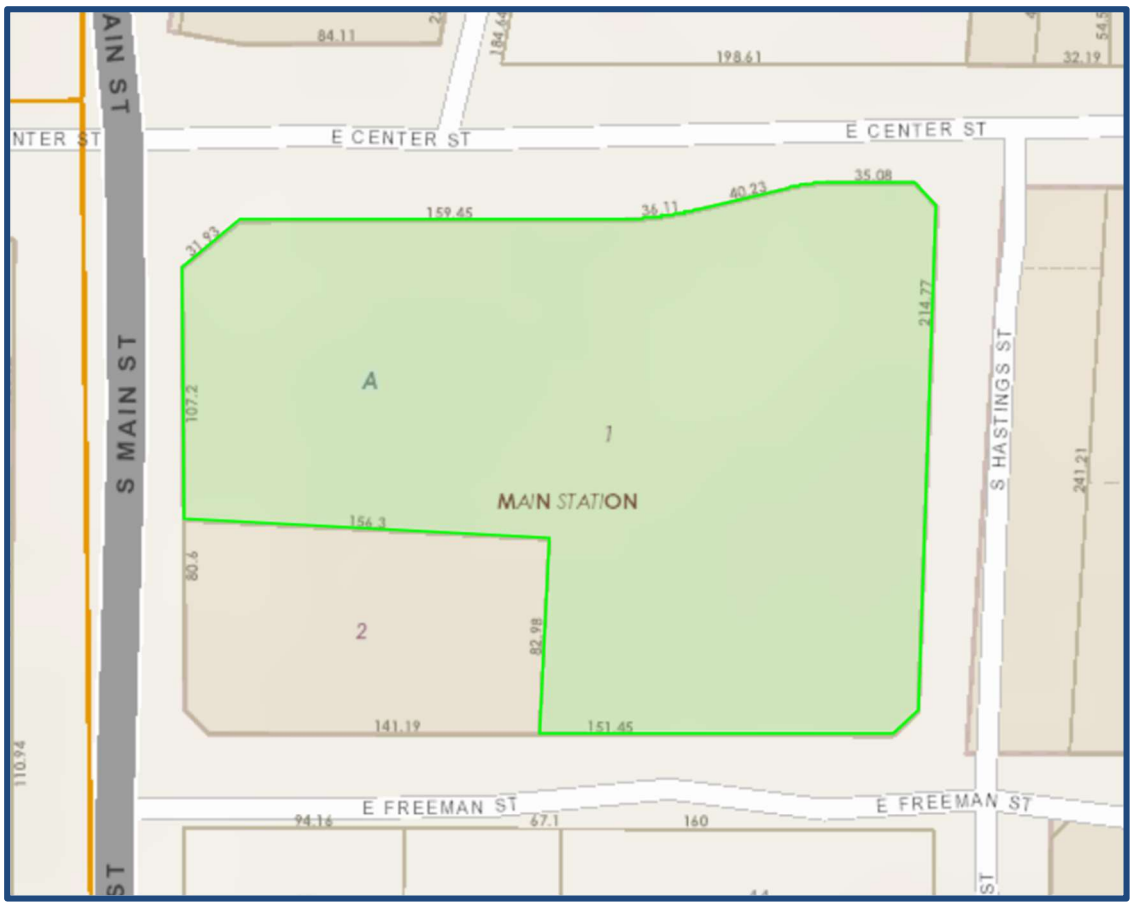
Analysis/Comments on Site

According to the survey, the subject totals 1.31 acres. The site is flag or L-shaped in shape and is level. Positioned as a soft corner lot, it is also above street grade. The site has the following utilities: public water, sewer, electric and gas.

The site has frontage along two thoroughfares, a primary and secondary. The primary thoroughfare is a two-way, 4-lane roadway, which is divided with a center-lane curb cut for access to the subject. The site does not have its own turn lane from the primary roadway. The site has signalization along the primary road that improves access. The secondary frontage road has ingress/egress point(s) and no shared access. It is a two-way, 4-lane roadway, which is undivided with a center turn lane. The secondary frontage does not have its own turn lane that enhances access. The site's secondary

frontage road has signalization that improves access. The subject property has an excellent access and visibility rating based on the above characteristics measured against other competitive sites.

TAX PLAT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A
1
MAIN STATION
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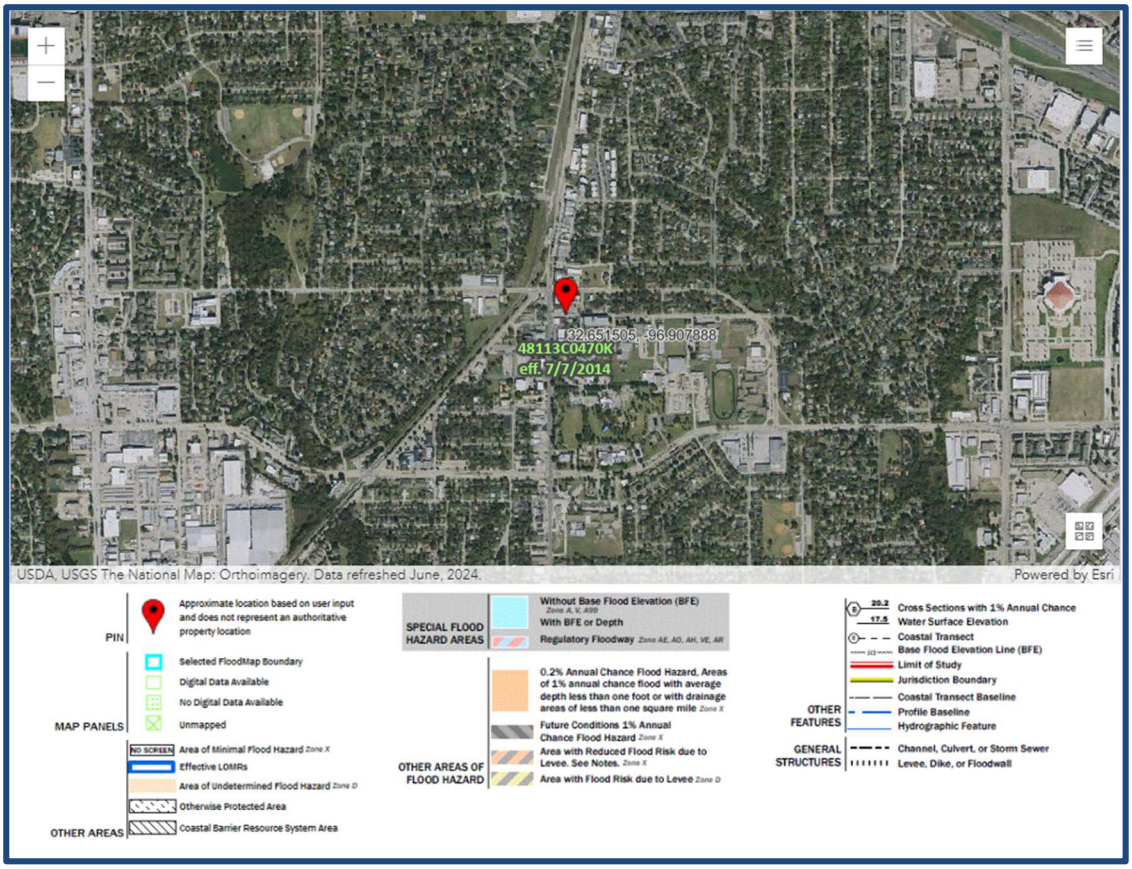
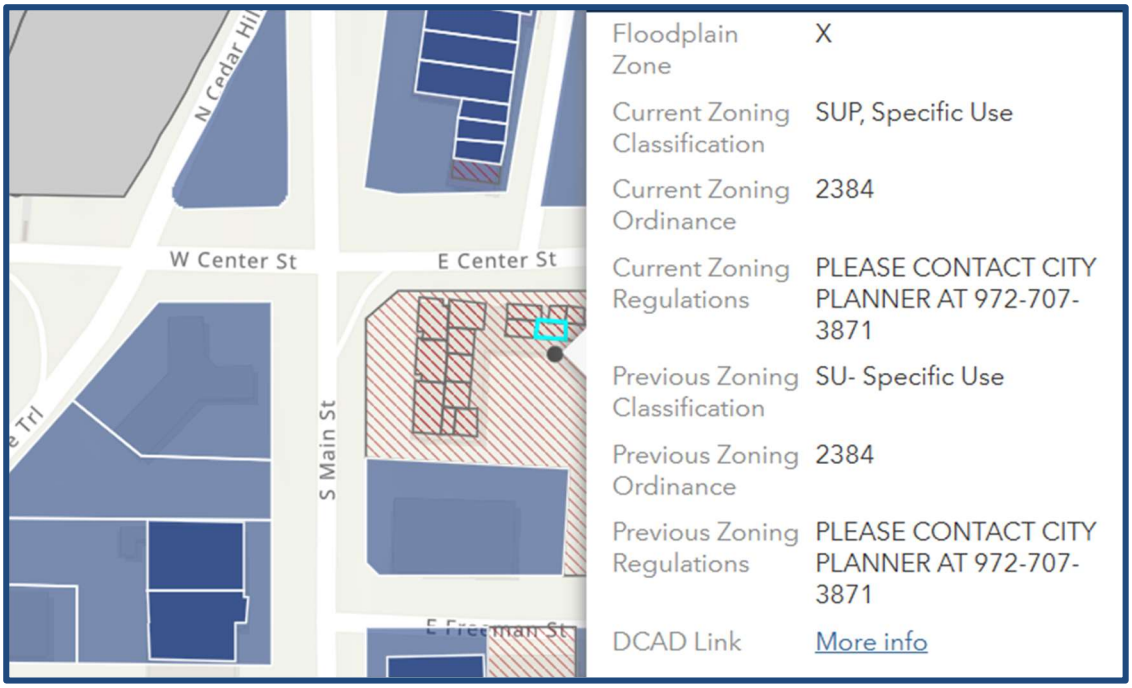
32.19
159.45
36.11
40.23
35.08
214.77
107.2
156.3
80.6
82.98
141.19
151.45
241.21
110.94
94.16
67.1
160

FLOOD MAP


32.651505, -96.907888
48113C0470K
eff. 7/7/2014
USDA, USGS The National Map: Orthoimagery. Data refreshed June, 2024.
Powered by Esri
PIN
Approximate location based on user input and does not represent an authoritative property location
MAP PANELS
Selected FloodMap Boundary
Digital Data Available
No Digital Data Available
Unmapped
OTHER AREAS
Area of Minimal Flood Hazard Zone X
Effective LOMRs
Area of Undetermined Flood Hazard Zone D
Otherwise Protected Area
Coastal Barrier Resource System Area
SPECIAL FLOOD HAZARD AREAS
Without Base Flood Elevation (BFE) Zone A, V, A99
With BFE or Depth
Regulatory Floodway Zone AE, AO, AH, VE, AR
OTHER AREAS OF FLOOD HAZARD
0.2% Annual Chance Flood Hazard, Areas of 1% annual chance flood with average depth less than one foot or with drainage areas of less than one square mile Zone X
Future Conditions 1% Annual Chance Flood Hazard Zone X
Area with Reduced Flood Risk due to Levee. See Notes. Zone X
Area with Flood Risk due to Levee Zone D
OTHER FEATURES
Cross Sections with 1% Annual Chance
Water Surface Elevation
Coastal Transect
Base Flood Elevation Line (BFE)
Limit of Study
Jurisdiction Boundary
Coastal Transect Baseline
Profile Baseline
Hydrographic Feature
GENERAL STRUCTURES
Channel, Culvert, or Storm Sewer
Levee, Dike, or Floodwall

ZONING MAP


W Center St
E Center St
S Main St
Floodplain Zone
X
Current Zoning Classification
SUP, Specific Use
Current Zoning Ordinance
2384
Current Zoning Regulations
PLEASE CONTACT CITY PLANNER AT 972-707-3871
Previous Zoning Classification
SU- Specific Use
Previous Zoning Ordinance
2384
Previous Zoning Regulations
PLEASE CONTACT CITY PLANNER AT 972-707-3871
DCAD Link
More info

Improvements Description

The subject is a two-story, tenant occupied, mixed use retail property. The improvements consist of 22,347 square feet in two buildings which were constructed in 2003. The subject was at stabilized occupancy of 95.2% at the time of this assignment. The subject has average functional utility and competitive rating.

Improvement Characteristics

Property Type:	Retail
Property Subtype:	Mixed Use
Occupancy Type:	Tenant occupied
Tenancy:	Multi-Tenant
Number of Buildings:	2
Number of Stories	2
Construction Class:	S - Steel Frame per Marshall Valuation Service
Construction Quality:	Good
Gross Building Area (GBA):	22,347 SF (based on Rent roll)
Net Rentable Area (NRA):	22,347 SF (based on Rent Roll)

Features

Anchored:	No
Typical Bay Depth:	30 ft.

Ratios & Parking

Land-to-Building Ratio:	2.55 to 1 (Usable Land/GBA)
Floor Area Ratio (FAR):	0.39 (based on GBA)
Parking Spaces:	90
Parking Ratio:	4.03 (per 1,000 sf of GBA)
Parking Comments:	Sufficient Surface Spaces

Age / Life

Year Built:	2003
Renovated/Yr. Renovated:	No
Condition:	Good
Actual Age:	21 years
Effective Age:	10 years
Typical Building Life:	50 years
Remaining Economic Life:	40 years

Structural Characteristics

Foundation:	Concrete slab
Building Frame:	Wood
Exterior Walls:	Brick
Roof Type / Material:	Pitched / Modified bitumen

Interior Characteristics

Floors:	Concrete, tile, and wood
Walls:	Painted drywall
Ceiling:	Painted drywall and wood panels
Lighting:	Appears adequate and typical for the intended use
Restrooms:	Appears adequate and typical for the intended use

Mechanical Systems

Electrical:	Assumed adequate
Plumbing:	Appears adequate and typical for the intended use
Heating:	Forced warm air
Air Conditioning:	Central air conditioning
Fire Protection/Sprinklers:	Wet system
Number of Elevators:	None

Site Improvements

Site Improvements:	Paved parking, curbs, driveways, sidewalks, and landscaping
Landscaping:	Average

Legal, Conforming Status

Legally Permitted Use:	Yes
Conforms to Parking:	Yes
Conformity Conclusion:	The existing improvements appear to conform with all legal restrictions

Deferred Maintenance

No material deferred maintenance was observed by the appraiser or reported by the property owner.

Analysis/Comments on Improvements

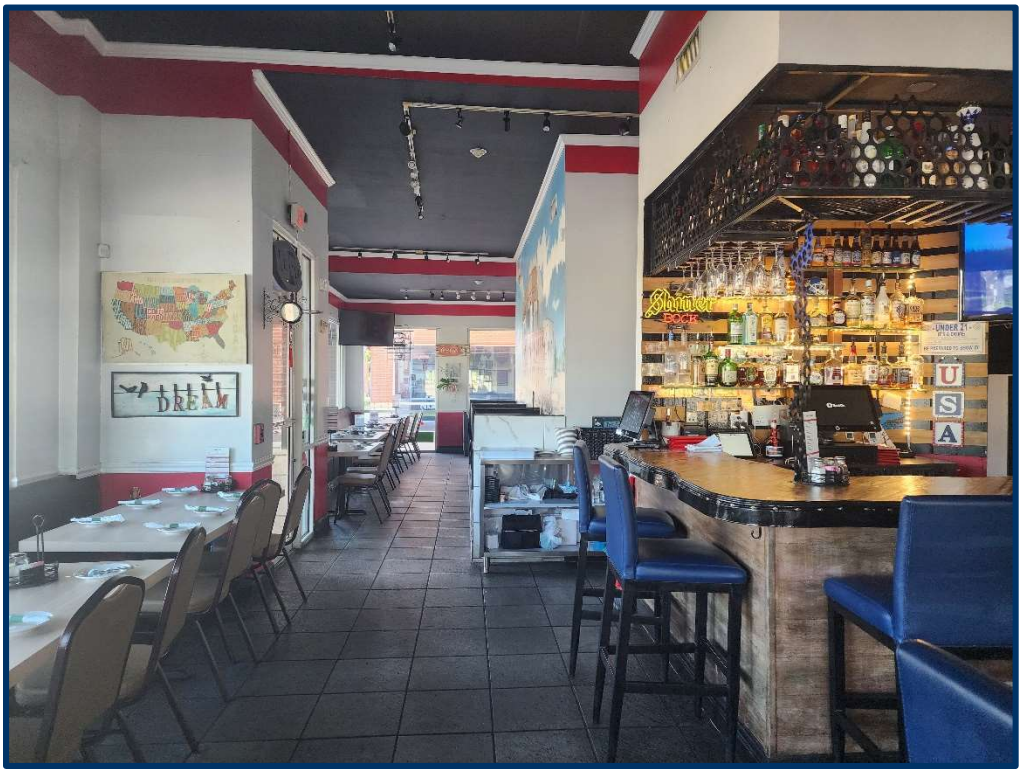
The subject building is designed as a mixed use property with ground floor commercial with apartment efficiency units on the second floor. The property is located in downtown Duncanville, and intended to promote walkability. The commercial space and the apartment space on the second floor are about the same square feet. The total square feet of the commercial space is 11,186 square feet while the apartment space totals 11,161 square feet. There are 14 apartment units and 12 commercial spaces. There is also 6 storage spaces on the second floor. The second floor has an

enclosed walkway connecting the two buildings. The second floor is accessed at the end of each of the two buildings. There is an elevator that also provides access to the second floor. There is an interior corridor to provide access to the units. All of the apartment units are efficiency units. The commercial space includes restaurant, general retail, and retail/office space. The design, construction type, quality, and condition of the improvements are typical for the market. The interior configuration is typical and not unusual for the use. All of the improvements are two stories and there appears to be an appropriate amount of parking. The functional utility of the property is adequate and designed for its current use based upon a comparison of similar properties in the market area.

Subject Photographs

Front view of subject property

View of public thoroughfare



Subject property interior

Subject property interior

Additional photos are included in the Addenda.

Assessment and Tax Data

Assessment Methodology

The appraised value for the subject property is determined by the Dallas Central appraisal district. The basis for the property assessment, or taxable value, in the jurisdiction is 100.0% of appraised or market value. The subject property is currently under the ownership of Main Station Duncanville and is not tax exempt.

Assessed Values and Property Taxes

The subject property's appraised values, assessment ratios, assessed values, applicable tax rates and total tax expense, including direct assessments, are presented in the following table:

Ad Valorem Tax Schedule

Tax Parcel Number: 220995900A0010000

Dallas County Year	Actual 2023	Actual 2024	Market Estimate Stabilized
Appraised Value			
Land:	$228,100	$228,100	$228,100
Improvements:	$2,263,590	$2,361,900	$2,361,900
Total:	$2,491,690	$2,590,000	$2,590,000
Per Square Foot:	$111.50	$115.90	$115.90
% Change:	N/A	3.9%	0.0%
Assessment Ratio	100.00%	100.00%	100.00%
Assessed Value			
Land:	$228,100	$228,100	$228,100
Improvements:	$2,263,590	$2,361,900	$2,361,900
Total:	$2,491,690	$2,590,000	$2,590,000
% Change:	N/A	3.9%	0.0%
Tax Rate per $100	$2.253630	$2.253630	$2.253630
% Change:	N/A	0.0%	
	Actual	Actual	Market Estimate
Tax Expense	2023	2024	Stabilized
Total:	$56,153	$58,369	$58,369
Per Square Foot:	$2.51	$2.61	$2.61

Conclusions

According to the Dallas County Tax Assessor the subject's property taxes are paid as of the date of value.

Market Analysis

Market analysis is a study of market conditions for a specific property type. The following market analysis of the Dallas-Fort Worth MSA retail-shopping centers property market is based on data obtained from the CoStar Group, Inc., a leading provider of real estate information services. The analysis presents the subject property's macro and micro markets and includes a breakdown of strip shopping centers space.

Overview

Dallas-Fort Worth Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
4M	3.3M	4.5%	5.1%

The Dallas-Fort Worth retail market remains on firm footing heading towards the end of 2024, as strong tenant demand has held vacancies at historically tight levels. Tenants have filled 30.1 million SF of space in the last two years while vacating just 22.3 million SF, with both measurements showing signs of slowing from their respective pre-pandemic norms as available space becomes more scarce.

In the last year, Dallas-Fort Worth has seen the most net absorption of any major U.S. market at 3.3 million SF. This has been made possible by the robust construction pipeline in the region, which also leads the country in terms of annual deliveries and current construction activity. This new stock gives retailers the space needed to enter and expand into the market without drastically impacting vacancies, as over 65% of these spaces are pre-leased before delivery.

Deliveries have been picking up to meet demand where possible, with the coming months seeing the largest wave of project completions in years. Construction largely occurs outside the core urban areas of Dallas and Fort Worth, with the highest concentrations to the north in Collin and Denton counties, where population growth has been strongest. In this part of the market, the availability rate on the nearly 9.6 million SF of space delivered since 2020 currently registers above 8%, as new power centers in communities like Murphy and Aubrey sit vacant. The primary impetus behind these speculative developments is to get ahead of the population growth in this area.

These new projects have been made possible, in part, by the increasing premium users are willing to pay for both new and existing inventory. Market participants share this sentiment, saying tenants have been flexible on higher starting rents, especially for newly developed spaces. Year-over-year rent growth has held firm at 4.5% or greater for eleven consecutive quarters. As this new stock is delivered to the market and demand softens, rent growth should slow to 3% in 2025 through 2026.

While capital markets activity has retreated for all sectors, the retail segment has been largely insulated from the worst of these reversals. Elevated interest rates have shifted the buyer profile to more private investors as institutional players and REITs stand by, awaiting more favorable financing conditions. For multi-tenant buildings sold within the last year, the average occupancy was around 94%, showcasing a buyer preference for strong cash flow fundamentals.

CoStar's Base Forecast is still very strong for Dallas-Fort Worth, with vacancies remaining low and rent growth above the national average. The remaining slate of construction deliveries will be more spread out in the upcoming quarters, and steady tenant demand should absorb most of the new space completed in 2024 in less than a year.

Overview

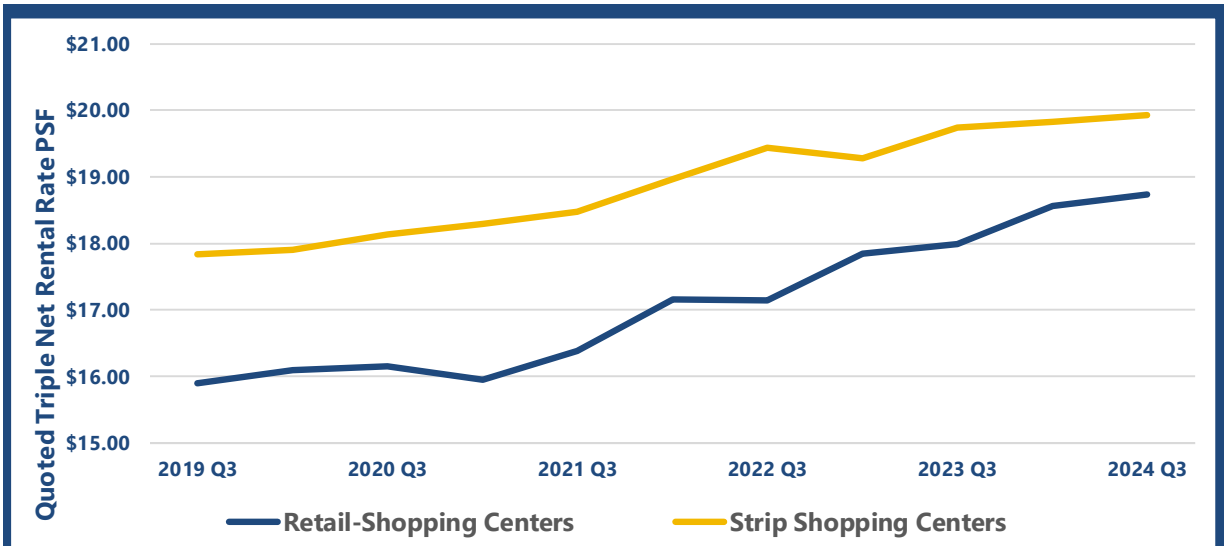
Dallas-Fort Worth Retail

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	39,408,678	5.4%	$33.24	4.1%	(1,447)	0	14,700
Power Center	33,847,965	3.7%	$28.34	4.0%	852	0	149,293
Neighborhood Center	120,563,445	7.0%	$23.14	7.3%	(178,987)	0	422,108
Strip Center	32,879,327	6.3%	$22.92	7.8%	(37,468)	0	644,058
General Retail	243,126,465	2.9%	$23.16	3.5%	(102,122)	3,607	2,850,887
Other	3,729,925	7.3%	$25.37	6.7%	(1,605)	0	0
Market	**473,555,805**	**4.5%**	**$24.35**	**4.8%**	**(320,777)**	**3,607**	**4,081,046**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	0.1% (YOY)	6.0%	4.5%	8.5%	2010 Q2	3.6%	2000 Q1
Net Absorption SF	3.3M	6,403,072	2,836,559	14,817,790	2001 Q2	(1,820,366)	2020 Q4
Deliveries SF	4M	7,653,729	3,923,901	17,163,481	2001 Q2	2,824,314	2011 Q1
Market Asking Rent Growth	5.1%	2.1%	3.0%	5.4%	2022 Q4	-2.5%	2009 Q4
Sales Volume	$469M	$920.4M	N/A	$1.9B	2015 Q4	$256.2M	2002 Q1

DALLAS-FORT WORTH MSA - QUOTED RENTAL RATE TRENDS



Time Period	2024 Q3	1-Year	3-Year	5-Year	10-Year
Dallas-Fort Worth MSA - Retail-Shopping Centers	$18.73 PSF	$17.99 PSF	$16.38 PSF	$15.90 PSF	$14.02 PSF
Annual Growth Rate	-	*4.1%*	*4.6%*	*3.3%*	*2.9%*
Dallas-Fort Worth MSA - Strip Shopping Centers	$19.92 PSF	$19.73 PSF	$18.48 PSF	$17.83 PSF	$14.80 PSF
Annual Growth Rate	-	*1.0%*	*2.5%*	*2.2%*	*3.0%*

Source: CoStar Group, Inc.

Dallas-Fort Worth MSA - Retail-Shopping Centers

The Dallas-Fort Worth MSA had a 2024 3rd Quarter average quoted rental rate of $18.73 per square foot for retail-shopping centers space, compared to $17.99 in the 2023 3rd Quarter, or a 4.1% increase over the prior year. This was higher than the long-term trend.

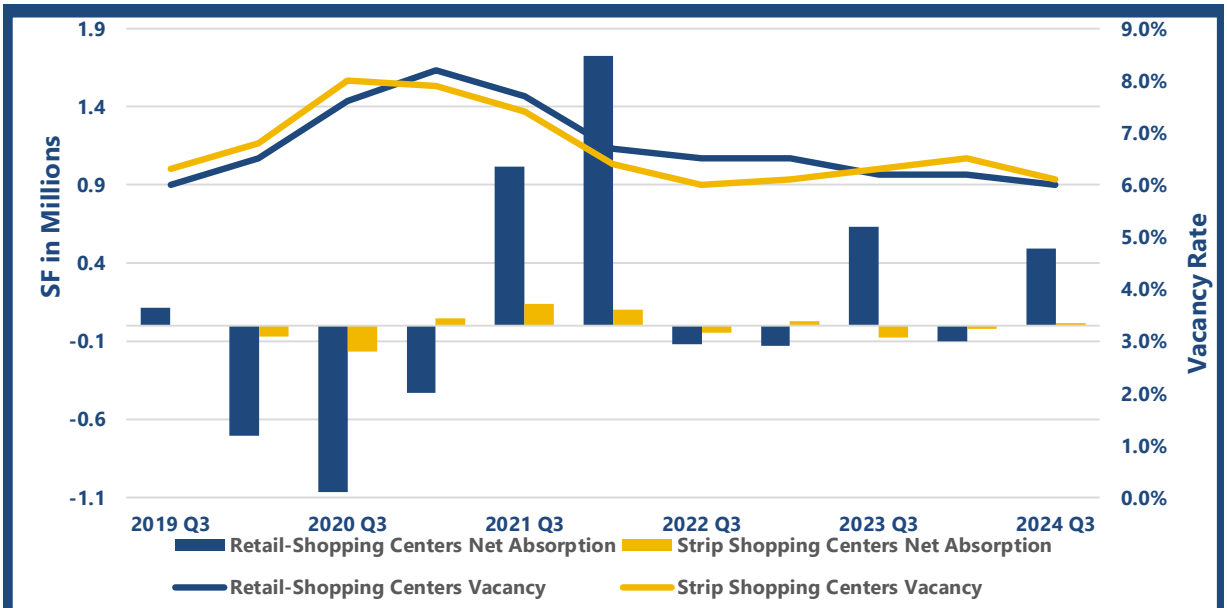
Dallas-Fort Worth MSA - Strip Shopping Centers

The Dallas-Fort Worth MSA had a 2024 3rd Quarter average quoted rental rate of $19.92 per square foot for strip shopping centers space, compared to $19.73 in the 2023 3rd Quarter, or a 1.0% increase over the prior year. This was lower than the long-term trend.

Sector Comparison

The average quoted rental rate for strip shopping centers space was 6.4% higher than retail-shopping centers space and the long-term growth trend was similar.

DALLAS-FORT WORTH MSA - VACANCY AND NET ABSORPTION TRENDS



Time Period	2024 Q3	1-Year	3-Year	5-Year	10-Year
Dallas-Fort Worth MSA - Retail-Shopping Centers	6.0%	6.2%	7.7%	6.0%	8.3%
Avg. Annual Net Absorp. SF	-	*1.2M*	*1.9M*	*523.9K*	*2.2M*
Avg. Annual Deliveries SF	-	*891.7K*	*754.8K*	*912.2K*	*2M*
Dallas-Fort Worth MSA - Strip Shopping Centers	6.1%	6.3%	7.4%	6.3%	9.6%
Avg. Annual Net Absorp. SF	-	*217.3K*	*245.8K*	*143.8K*	*301.9K*
Avg. Annual Deliveries SF	-	*187.2K*	*178.6K*	*181.5K*	*227.4K*

Source: CoStar Group, Inc.

Dallas-Fort Worth MSA - Retail-Shopping Centers

The Dallas-Fort Worth MSA had a 2024 3rd Quarter vacancy rate of 6.0% for retail-shopping centers space. Net absorption was positive with 1.2 million square feet absorbed in the prior year and 891,732 square feet delivered. This resulted in a vacancy rate decrease of 20 basis points.

Dallas-Fort Worth MSA - Strip Shopping Centers

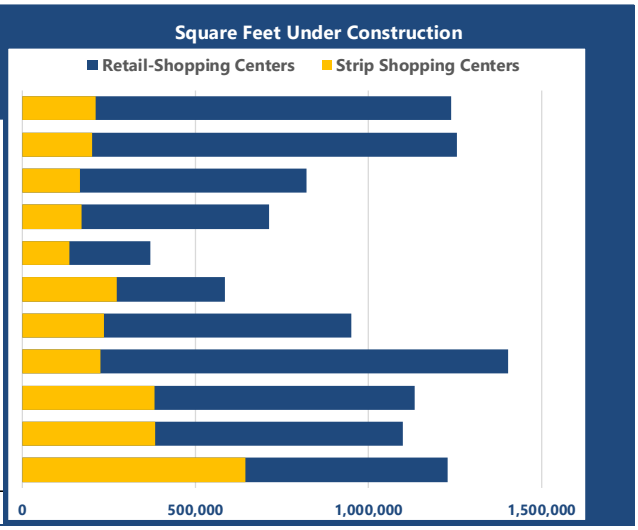
The Dallas-Fort Worth MSA had a 2024 3rd Quarter vacancy rate of 6.1% for strip shopping centers space. Net absorption was positive with 217,296 square feet absorbed in the prior year and 187,236 square feet delivered. This resulted in a vacancy rate decrease of 20 basis points.

Sector Comparison

The vacancy rate for strip shopping centers space was similar to than retail-shopping centers space. Both sectors had vacancy rates that were lower than the long-term trend.

DALLAS-FORT WORTH MSA - EXISTING SUPPLY AND CONSTRUCTION TRENDS

Period	Dallas-Fort Worth MSA - Retail-Shopping Centers Existing Bldgs	Existing SF	U/C SF	Dallas-Fort Worth MSA - Strip Shopping Centers Existing Bldgs	Existing SF	U/C SF
2019 Q3	8,121	227.7M	1.2M	2,681	32.2M	212.3K
2020 Q1	8,177	228.5M	1.3M	2,694	32.3M	202.7K
2020 Q3	8,208	229.2M	821.3K	2,704	32.4M	166.9K
2021 Q1	8,220	228.2M	712.9K	2,706	32.5M	171.4K
2021 Q3	8,251	228.7M	371.5K	2,720	32.6M	137.4K
2022 Q1	8,255	228.6M	585.1K	2,719	32.5M	273.4K
2022 Q3	8,273	228.7M	952.2K	2,725	32.5M	235.8K
2023 Q1	8,297	229M	1.4M	2,740	32.7M	227.2K
2023 Q3	8,317	229.6M	1.1M	2,744	32.7M	382.5K
2024 Q1	8,339	229.9M	1.1M	2,754	32.8M	385.1K
2024 Q3	8,357	230.4M	1.2M	2,764	32.9M	644.1K
Semi-Annual Average			***982.5K***			***276.3K***



Source: CoStar Group, Inc.

Dallas-Fort Worth MSA - Retail-Shopping Centers

There were 8,357 buildings totaling 230.45 million square feet of retail-shopping centers space in the Dallas-Fort Worth MSA with 1.2 million square feet under construction in the 2024 3rd Quarter. New construction represented 0.5% of existing supply.

Dallas-Fort Worth MSA - Strip Shopping Centers

There were 2,764 buildings totaling 32.9 million square feet of strip shopping centers space in the Dallas-Fort Worth MSA with 644,058 square feet under construction in the 2024 3rd Quarter. New construction represented 2.0% of existing supply.

Sector Comparison

Strip shopping centers space represented 14.3% of existing supply and 52.4% of new construction in the 2024 3rd Quarter.

Local Area/Submarket

The subject property is in the C Hill/Dunc'vlle/Deso Retail submarket. The key performance indicators for the submarket are shown below.

Overview

C Hill/Dunc'vlle/Deso Retail

12 Mo Deliveries in SF	12 Mo Net Absorption in SF	Vacancy Rate	Market Asking Rent Growth
25.6K	66.5K	5.3%	4.1%

The C Hill/Dunc'vlle/Deso retail submarket has a vacancy rate of 5.3% as of the fourth quarter of 2024. This time last year, the submarket had a vacancy rate of 5.6%. The year over year change in the C Hill/Dunc'vlle/Deso vacancy rate was a result of 26,000 SF of net delivered space and 66,000 SF of net absorption over the past year.

C Hill/Dunc'vlle/Deso's vacancy rate of 5.3% compares to the submarket's five-year average of 5.8% and the 10-year average of 6.2%.

Among the retail subtypes, neighborhood center vacancy stands at 5.9%, power center vacancy is 3.3%, strip center vacancy is 7.2%, mall vacancy is 14.1%, and general retail vacancy is 3.6%. The C Hill/Dunc'vlle/Deso retail submarket has roughly 530,000 SF of space listed as available, for an availability rate of 5.5%.

As of the fourth quarter of 2024, there is 48,000 SF of retail space under construction in C Hill/Dunc'vlle/Deso. In comparison, the submarket has averaged 25,000 SF of under construction inventory over the past 10 years. The C Hill/Dunc'vlle/Deso retail submarket contains roughly 9.6 million SF of inventory. The market has approximately 3.6 million SF of neighborhood center inventory, 880,000 SF of power center inventory, 670,000 SF of strip center inventory, 570,000 SF of mall inventory, and 3.8 million SF of general retail.

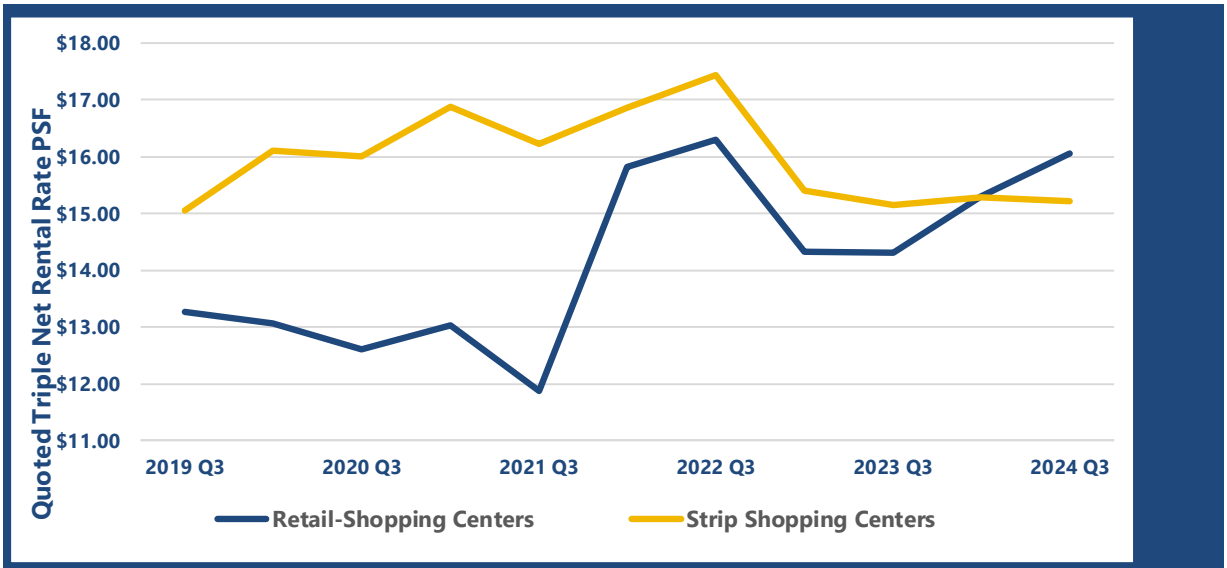
Market rents in C Hill/Dunc'vlle/Deso are $19.00/SF. Rents have changed by 4.1% year-over-year in C Hill/Dunc'vlle/Deso, compared to a change of 5.1% across Dallas-Fort Worth as a whole. Market rents have changed by 4.3% in neighborhood center properties year over year, 5.9% in power center properties, 2.5% in strip center properties, 5.7% in mall properties, and 3.5% in general retail properties. Annual rent growth of 4.1% in C Hill/Dunc'vlle/Deso compares to the submarket's five-year average of 4.5% and its 10-year average of 3.9%.

KEY INDICATORS

Current Quarter	RBA	Vacancy Rate	Market Asking Rent	Availability Rate	Net Absorption SF	Deliveries SF	Under Construction
Malls	565,523	14.1%	$20.48	14.1%	0	0	0
Power Center	884,798	3.3%	$24.59	3.3%	0	0	0
Neighborhood Center	3,647,062	5.9%	$18.15	5.3%	(5,276)	0	0
Strip Center	671,002	7.2%	$18.72	6.7%	0	0	16,200
General Retail	3,798,459	3.6%	$18.25	4.8%	(11,425)	0	31,345
Other	0	-	-	-	0	0	0
Submarket	**9,566,844**	**5.3%**	**$18.96**	**5.5%**	**(16,701)**	**0**	**47,545**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-0.4% (YOY)	7.5%	5.3%	11.9%	2010 Q3	2.7%	2000 Q4
Net Absorption SF	66.5K	138,278	47,643	576,614	2001 Q1	(226,036)	2003 Q3
Deliveries SF	25.6K	154,824	61,587	608,998	2001 Q1	6,700	2019 Q2
Market Asking Rent Growth	4.1%	2.1%	2.8%	6.1%	2022 Q3	-2.4%	2009 Q2
Sales Volume	$7.5M	$18M	N/A	$97M	2004 Q4	$1.2M	2009 Q4

DUNCANVILLE SUBMARKET - QUOTED RENTAL RATE TRENDS



Time Period	2024 Q3	1-Year	3-Year	5-Year	10-Year
Duncanville Submarket - Retail-Shopping Centers	$16.06 PSF	$14.30 PSF	$11.87 PSF	$13.27 PSF	$10.09 PSF
Annual Growth Rate	-	*12.3%*	*10.6%*	*3.9%*	*4.8%*
Duncanville Submarket - Strip Shopping Centers	$15.21 PSF	$15.15 PSF	$16.23 PSF	$15.05 PSF	$15.18 PSF
Annual Growth Rate	-	0.4%	-2.1%	0.2%	0.0%

Source: CoStar Group, Inc.

Duncanville Submarket - Retail-Shopping Centers

The Duncanville Submarket had a 2024 3rd Quarter average quoted rental rate of $16.06 per square foot for retail-shopping centers space, compared to $14.30 in the 2023 3rd Quarter, or a 12.3% increase over the prior year. This was higher than the long-term trend.

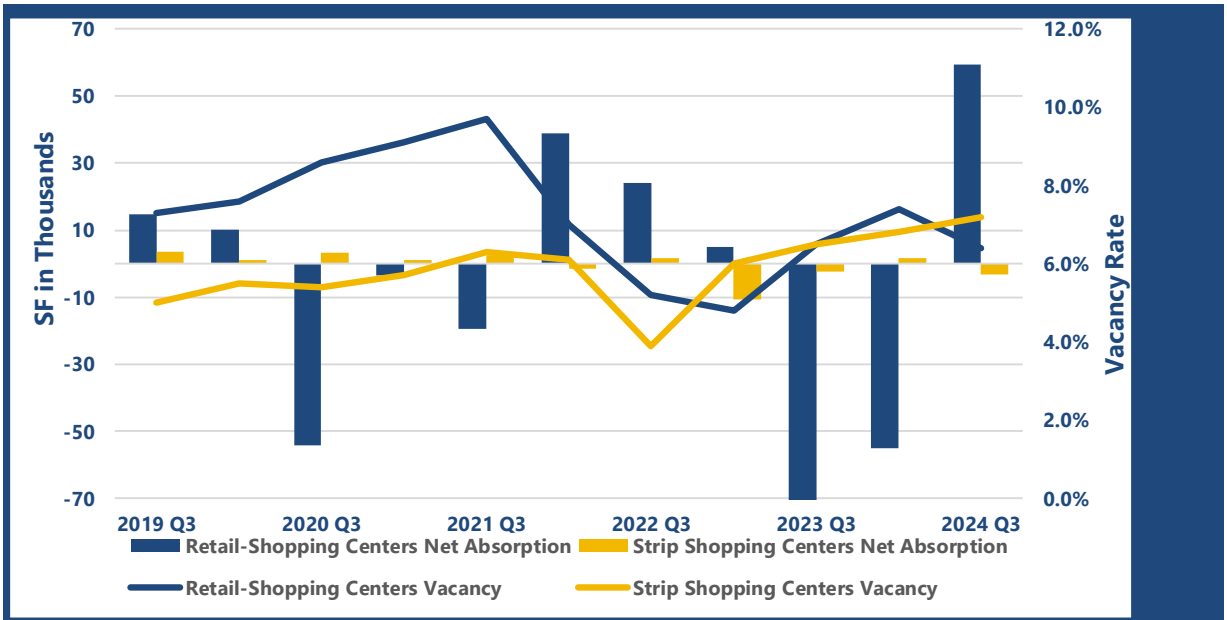
Duncanville Submarket - Strip Shopping Centers

The Duncanville Submarket had a 2024 3rd Quarter average quoted rental rate of $15.21 per square foot for strip shopping centers space, compared to $15.15 in the 2023 3rd Quarter, or a 0.4% increase over the prior year. This was relatively consistent with the long-term trend.

Sector Comparison

The average quoted rental rate for strip shopping centers space was 5.3% lower than retail-shopping centers space and the long-term growth trend was lower.

DUNCANVILLE SUBMARKET - VACANCY AND NET ABSORPTION TRENDS



Time Period	2024 Q3	1-Year	3-Year	5-Year	10-Year
Duncanville Submarket - Retail-Shopping Centers	6.4%	6.5%	9.7%	7.3%	12.1%
Avg. Annual Net Absorp.	-	*5.6K*	*63.8K*	*10.5K*	*37.7K*
Avg. Annual Deliveries	-	*0K*	*0K*	*0K*	*5.4K*
Duncanville Submarket - Strip Shopping Centers	7.2%	6.5%	6.3%	5.0%	13.5%
Avg. Annual Net Absorp.	-	*-4.2K*	*-1.9K*	*-2.9K*	*7.1K*
Avg. Annual Deliveries	-	*0K*	*0K*	*0K*	*3.3K*

Source: CoStar Group, Inc.

Duncanville Submarket - Retail-Shopping Centers

The Duncanville Submarket had a 2024 3rd Quarter vacancy rate of 6.4% for retail-shopping centers space. Net absorption was positive with 5,579 square feet absorbed in the prior year and 0 square feet delivered. This resulted in a vacancy rate decrease of 10 basis points.

Duncanville Submarket - Strip Shopping Centers

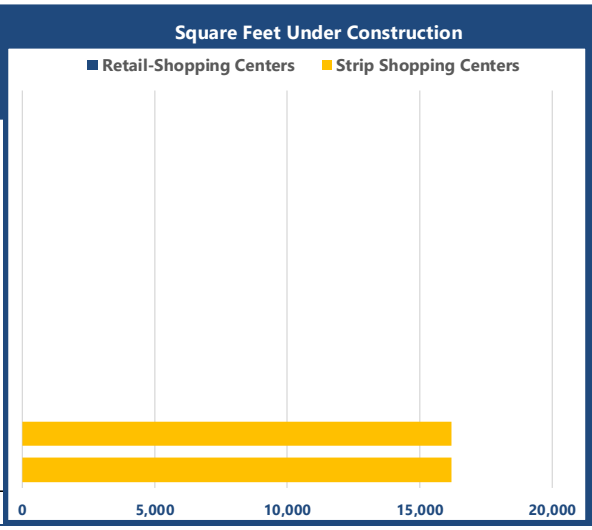
The Duncanville Submarket had a 2024 3rd Quarter vacancy rate of 7.2% for strip shopping centers space. Net absorption was negative with -4,217 square feet absorbed in the prior year with 0 square feet delivered. This resulted in a vacancy rate increase of 70 basis points.

Sector Comparison

The vacancy rate for strip shopping centers space was higher than retail-shopping centers space. The retail-shopping centers sector had a vacancy rate that was lower than the long-term trend, but the strip shopping centers sector had a vacancy rate that was relatively consistent with the long-term trend.

DUNCANVILLE SUBMARKET - EXISTING SUPPLY AND CONSTRUCTION TRENDS

	Duncanville Submarket - Retail-Shopping Centers			Duncanville Submarket - Strip Shopping Centers		
Period	Existing Bldgs	Existing SF	U/C SF	Existing Bldgs	Existing SF	U/C SF
2019 Q3	222	5.8M	0K	71	671K	0K
2020 Q1	222	5.8M	0K	71	671K	0K
2020 Q3	222	5.8M	0K	71	671K	0K
2021 Q1	222	5.8M	0K	71	671K	0K
2021 Q3	222	5.8M	0K	71	671K	0K
2022 Q1	222	5.8M	0K	71	671K	0K
2022 Q3	222	5.8M	0K	71	671K	0K
2023 Q1	222	5.8M	0K	71	671K	0K
2023 Q3	222	5.8M	0K	71	671K	0K
2024 Q1	222	5.8M	16.2K	71	671K	16.2K
2024 Q3	222	5.8M	16.2K	71	671K	16.2K
Semi-Annual Average			***2.9K***			***2.9K***



Source: CoStar Group, Inc.

Duncanville Submarket - Retail-Shopping Centers

There were 222 buildings totaling 5.8 million square feet of retail-shopping centers space in the Duncanville Submarket with 16,200 square feet under construction in the 2024 3rd Quarter. New construction represented 0.3% of existing supply.

Duncanville Submarket - Strip Shopping Centers

There were 71 buildings totaling 671,002 square feet of strip shopping centers space in the Duncanville Submarket with 16,200 square feet under construction in the 2024 3rd Quarter. New construction represented 2.4% of existing supply.

Sector Comparison

Strip shopping centers space represented 11.6% of existing supply and 100.0% of new construction in the 2024 3rd Quarter.

Multifamily Duncanville Submarket

The following multifamily submarket analysis is from CoStar.

Overview

South Dallas County Multi-Family

12 Mo Delivered Units	12 Mo Absorption Units	Vacancy Rate	12 Mo Asking Rent Growth
419	927	10.0%	0.1%

South Dallas County is home to one of the fastest-growing industrial distribution hubs in the country. Steady industrial job growth and healthy population growth have provided a boon to apartment demand, especially for the 1980s-era stock abundant throughout the submarket. Developers have taken notice, breaking ground on new communities in the area. Even so, the quality of existing multifamily stock skews in favor of lower-tiered product.

Construction activity is muted compared to other sections in Dallas County, but a thriving industrial segment catalyzes more development. Vacancies are expanding quickly due to heavier supply over the past two years, while rent growth outperforms the Dallas-Fort Worth average. The submarket's inventory is relatively small compared to other multifamily submarkets. In turn, swings in supply and new deliveries can dramatically impact vacancy rates and rent growth in the short run.

The South Dallas multifamily market is reporting vacancies of 10.0%, above the Dallas-Fort Worth average of 11.0%. Deliveries of 420 units over the past year outpace demand of 930 units. Vacancy rates are expected to remain elevated as demand rebalances, and developers continue bringing new communities to the area.

The industrial sector in South Dallas is booming, and more companies frequently shop in the area to move their manufacturing and distributing facilities to South Dallas County and towns like Hutchins and Wilmer along the I-45 corridor near the Inland Port. South Dallas County contains one of the biggest distribution hubs in the country, and facilities operated by PepsiCo, Procter & Gamble, Amazon, and L'Oréal are among the major employers.

South Dallas County and the southern Dallas suburbs offer appealing renter demographics and strong fundamentals, divergent from the corporate relocations and white color profile of northern suburbs. While its population growth is about average relative to the rest of the rapidly growing D-FW metroplex, five-year growth of about 10% is significant. Furthermore, one-third of the population are renters, and demographics skew younger than the metro average.

KEY INDICATORS

Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	5,996	9.0%	$1,581	$1,565	16	0	0
3 Star	9,442	9.9%	$1,330	$1,302	(8)	0	0
1 & 2 Star	1,799	13.4%	$1,159	$1,149	1	0	0
Submarket	**17,237**	**10.0%**	**$1,409**	**$1,387**	**9**	**0**	**0**

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy	-3.2% (YOY)	7.5%	10.5%	14.4%	2023 Q4	4.6%	2000 Q3
Absorption Units	927	223	152	1,107	2020 Q3	(152)	2022 Q2
Delivered Units	419	289	157	1,422	2023 Q2	0	2022 Q2
Demolished Units	0	9	27	216	2013 Q1	0	2024 Q3
Asking Rent Growth	0.1%	2.6%	2.0%	9.5%	2021 Q4	-1.5%	2010 Q2
Effective Rent Growth	0.1%	2.5%	2.1%	9.6%	2021 Q4	-1.6%	2010 Q1
Sales Volume	$0	$50.2M	N/A	$272.1M	2022 Q2	$0	2024 Q3

Market Analysis Conclusions

The rental rate trends, vacancy rate and absorption trends, and existing supply and new construction levels indicate the market is in equilibrium.

Highest and Best Use Analysis

The Highest and Best Use of a property is the use that is legally permissible, physically possible, and financially feasible which results in the highest value. An opinion of the highest and best use results from consideration of the criteria noted above under the market conditions or likely conditions as of the effective date of value. Determination of highest and best use results from the judgment and analytical skills of the appraiser. It represents an opinion, not a fact. In appraisal practice, the concept of highest and best use represents the premise upon which value is based.

Highest and Best Use As Though Vacant

The primary determinants of the highest and best use as though vacant are (1) Legal permissibility, (2) Physical possibility, (3) Financial feasibility, and (4) Maximum productivity.

Legally Permissible

The subject site is zoned DD/SUP-2384, Downtown District/Specific Use Permit, which controls the general nature of permissible uses and is appropriate for the location and physical elements of the subject property, providing for a consistency of use with the general neighborhood. The location of the subject property is appropriate for the uses allowed, as noted previously, and a change in zoning is unlikely. There are no known easements, encroachments, covenants or other use restrictions that would unduly limit or impede development.

Physically Possible

The physical characteristics of the subject site are presented in the Site Description and allow for a number of potential uses. Elements such as size, shape, availability of utilities, known hazards (flood, environmental, etc.), and other potential influences were considered. No physical attributes materially limit legally permissible and appropriate development. The most probable use of the site is for mixed use including retail + residential development, which conforms to the pattern of land use in the immediate area.

Financially Feasible

A review of published yield, rental and occupancy rates suggests that there is a balanced supply of mixed use including retail + residential and demand is insufficient to support construction costs and timely absorption of additional inventory in this market. Therefore, near-term speculative development of the subject site is not financially feasible.

Maximally Productive

Among the financially feasible uses, the use that results in the highest value (the maximally productive use) is the highest and best use. Considering these factors, the maximally productive use as though vacant is to hold for future commercial use.

Highest and Best Use As Though Vacant Conclusion

The conclusion of the highest and best use as though vacant is to hold for future commercial use.

Highest and Best Use As Improved

The determination of the highest and best use of the subject property as improved is focused on three possible conditions that may represent the maximally productive use of the property: (1)

continuation of the existing use, (2) modification of the existing use, or (3) demolition and redevelopment of the land. In addition, the presence of surplus or excess land is identified.

As noted, the analyzed use of the subject property is as a mixed use, retail, residential property. The subject improvements were completed in 2003 and, as of the date of value, were in good condition. The subject property had an estimated remaining economic life of 40 years. The existing use will generally continue until land value less demolition costs exceed the value of the existing use.

Continuation of Existing Use

Retaining the improvements as they exist meets the tests for legal permissibility and physical possibility. Further, market demand and existing supply levels provide economic support for continuation of the existing use.

Highest and Best Use As Improved Conclusion

The highest and best use of the subject property, as improved, is continuation of existing use.

Most Probable Buyer

As of the date of value, the most probable buyer of the subject property is an investor.

Sales Comparison Approach

Methodology

The sales comparison approach develops an indication of market value by analyzing closed sales, listings, or pending sales of properties similar to the subject, focusing on the difference between the subject and the comparables using all appropriate elements of comparison. This approach is based on principles of supply and demand, balance, externalities, and substitution, or the premise that a buyer would pay no more for a specific property than the cost of obtaining a property with the same quality, utility, and perceived benefits of ownership.

The sales comparison approach includes an analysis for two subject property components, including the commercial space component and the multifamily space component. The components are then added to arrive at a single value indication.

Sales Comparison Approach - Commercial Space

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for commercial space properties such as the subject property is price per square foot of net rentable area.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, (7) physical characteristics, (8) economic characteristics, (9) legal characteristics, and (10) non-real components of value.

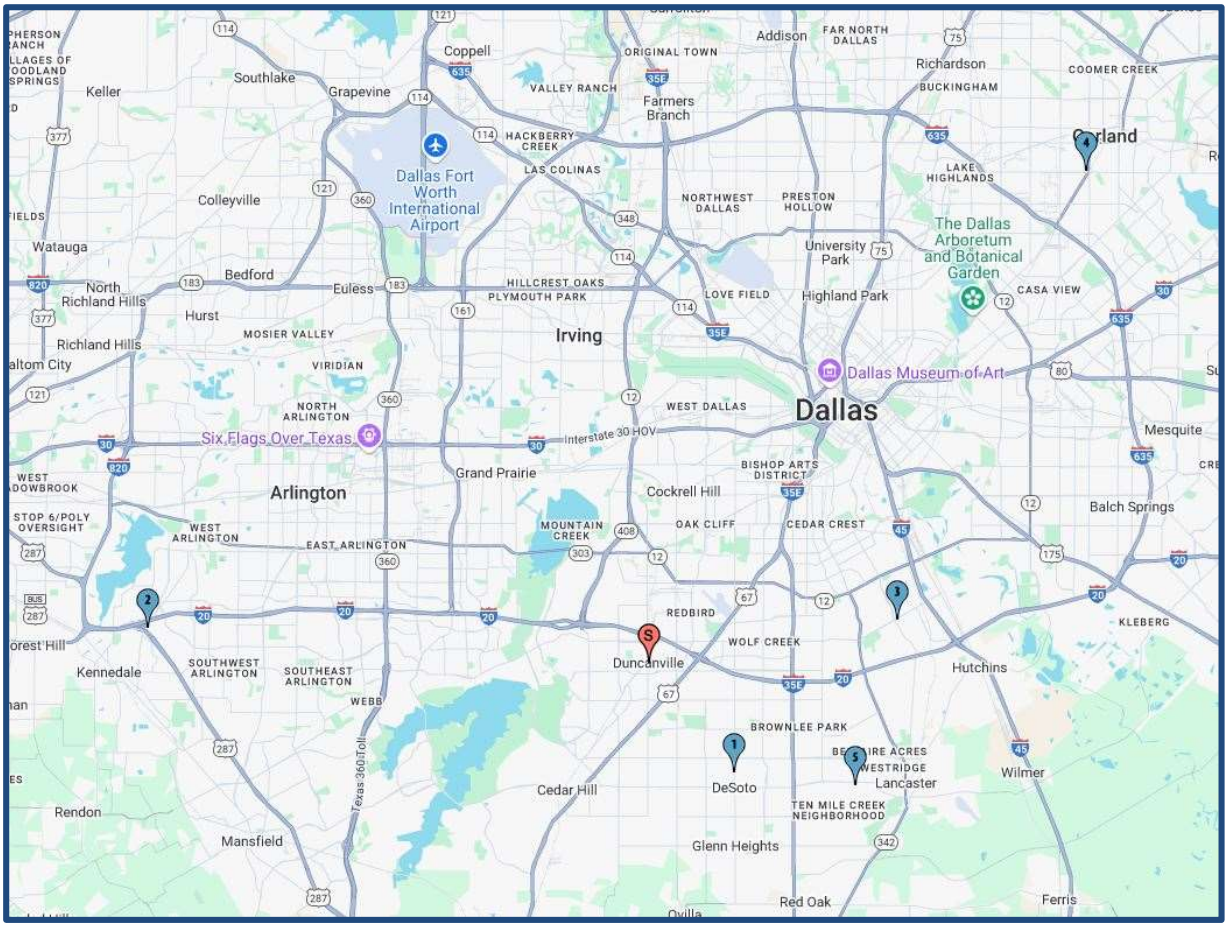
Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject property. These properties typically attract similar occupants based on location and appeal and have similar risk profiles. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property commercial space. The following table summarizes the sale comparables utilized and a map illustrating the location of each in relation to the subject property follows. Details of each comparable follow the location map.

Improved Sales Summary - Commercial Space Component

Comp. No.	Date of Sale	Property Name	Location		Year Built	NRA	Unadjusted Sale Price	PSF
1	September-23	Former Pollo Regio	517 North Hampton Road	Desoto, Texas	1975	2,996	$1,280,000	$427.24
2	February-23	Windsor Terrace Shopping Center	4801-4901 Little Road	Arlington, Texas	1986	16,757	$3,250,000	$193.95
3	November-22	Simpson Stuart Retail	3540 Simpson Stuart Road	Dallas, Texas	1973	19,583	$1,800,000	$91.92
4	January-22	Miller Road Strip Center	1501 W. Miller Road	Garland, Texas	2014	12,985	$5,193,225	$399.94
5	January-22	Belt Line Retail	1370 West Belt Line Road	Lancaster, Texas	2015	5,962	$2,581,775	$433.04

COMPARABLE SALES MAP - COMMERCIAL SPACE



SALE COMPARABLE 1

Property Identification

Property Name	Former Pollo Regio
Address	517 North Hampton Road
City County State Zip	Desoto, Dallas County, Texas 75115
MSA	Dallas
Tax ID	20014000000010000
VPA Property/Sale ID	11373146/1695775

Transaction Data

Sale Status	Closed
Sale Date	9/6/2023
Grantor/Seller	J & B RENTAL INC
Grantee/Buyer	Hernandez Leonel Landa
Recording Number	202300179226
Property Rights	Fee Simple
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	326
Sales Price	$1,280,000
Adjusted Sales Price	$1,280,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$410.55
Adj. Price PSF of NRA	$410.55

Financial Data (Stabilized Occupancy)

NOI PSF	$29.91
Cap. Rate (OAR)	7.28%
EGIM	13.73

Property Description

Property Type	Restaurant
Tenancy	Single-Tenant
Occupancy Type	Owner occupied
MVS Const. Class	C - Masonry
Construction Quality	Good
Gross Building SF	2,996
Net Rentable SF	2,996
Year Built	1975
Effective Age Est.	18
Building Condition	Good
Number of Stories	1
Drive-Thru	Yes
Pkg/1,000 SF NRA	12.35
Usable Land/LtB Ratio	0.551 Acres / 8.01:1
Flr. Area Ratio (FAR)	0.12

Remarks

This property was listed for sale for just under one year. It was previously a Polo Regio. The seller left the tables and all kitchen equipment in the store. The broker believes the FF&E contributed about $50,000 of value. The purchaser is an owner-user for a restaurant use. The transaction may have included a second tax parcel of a small area of vacant land to the west; however, it is mostly within a ditch and did not materially impact the sale. There is good parking around the building and there is a drive-through window. This property is on a corner location and benefits from two curb-cuts on Hampton Road and one on Methodist Way which is not a controlled intersection. The population within a 2-mile radius is 40,578 with a median household income of $70,258 and the traffic count along North Hampton Road is 18,314 VPD as of 2022.

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SALE COMPARABLE 2

Property Identification

Property Name	Windsor Terrace Shopping Center
Address	4801-4901 Little Road
City County State Zip	Arlington, Tarrant County, Texas 76017
MSA	Fort Worth-Arlington
Tax ID	06052177
VPA Property/Sale ID	11365452/1690309

Transaction Data

Sale Status	Closed
Sale Date	2/4/2023
Grantor/Seller	Gillmer SAam E Tr.
Grantee/Buyer	Little 287 LLC
Recording Number	D223038472
Property Rights	Leased Fee
Financing	Cash to sellers
Conditions of Sale	Typical
Days on Market	240
Sales Price	$3,250,000
Post-Sale Exp. Adj.	$180,000
Adjusted Sales Price	$3,430,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$204.69
Adj. Price PSF of NRA	$204.69

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$4.61
NOI PSF	$15.44
Cap. Rate (OAR)	7.55%
Expense Ratio	22.99%
EGIM	10.21
EDR (Cash on Cash)	18.07%

Property Description

Property Type	Neighborhood Center
Tenancy	Multi-Tenant
Occupancy Type	Tenant occupied
Investment Class	C
MVS Const. Class	C - Masonry
Construction Quality	Average
Gross Building SF	16,757
Net Rentable SF	16,757
Year Built	1986
Effective Age Est.	20
Building Condition	Average
Number of Stories	1
Bay Depth (ft)	60
Pkg/1,000 SF NRA	5.49
Usable Land/LtB Ratio	1.562 Acres / 4.06:1
Flr. Area Ratio (FAR)	0.25

Remarks

This property sold with 70% occupancy and the following tenants: McCullar's Pub, Xscape Nails, a barber shop, Subway, Ace Cash Express, Metro PCS, and Joy Donuts. There were three vacant suites which included one at 1,423 SF, another at 1,080 SF, and a end-cap of 2,585 SF. The endcap was formerly a 7-Eleven that is vacant. At the time of sale the NOI was reported as $214,213 or a NOI to occupied SF of $18.36/SF. The actual cap rate was 6.59% based on the in-place NOI. This property is operating at a below stabilized occupancy. We have included a lease-up adjustment based on the stabilized proforma which includes a 12 months to lease-up, a 3 year lease, broker commission of 6.75%, lost rent and expenses over the lease-up time, a $10 per square foot TI allowance, and entrepreneurial incentive of 10%. As such, we have added a $180,000 lease-up adjustment as an expenditure after purchase.

SALE COMPARABLE 3

Property Identification

Property Name	Simpson Stuart Retail
Address	3540 Simpson Stuart Road
City County State Zip	Dallas, Dallas County, Texas 75241
MSA	Dallas
Tax ID	00000639586900000
VPA Property/Sale ID	11228507/1590230

Transaction Data

Sale Status	Closed
Sale Date	11/2/2022
Grantor/Seller	KRR HH Retail LLC
Grantee/Buyer	Rahim Mawani and or Assigns
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	$1,800,000
Adjusted Sales Price	$1,800,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$91.92
Adj. Price PSF of NRA	$91.92
Occupancy at Sale	100.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$4.54
NOI PSF	$9.80
Cap. Rate (OAR)	10.66%
Expense Ratio	31.68%
EGIM	6.41

Property Description

Property Type	Community Center
Tenancy	Multi-Tenant
Occupancy Type	Tenant occupied
MVS Const. Class	C - Masonry
Construction Quality	Average
Gross Building SF	19,583
Net Rentable SF	19,583
Year Built	1973
Effective Age Est.	15
Building Condition	Average
Number of Stories	1
Sprinklers	Wet and dry system
Pkg/1,000 SF NRA	4.90
Usable Land/LtB Ratio	1.981 Acres / 4.41:1
Flr. Area Ratio (FAR)	0.23
Flood Hazard Zone	Zone X (unshaded)
Zoning Code	CR

Remarks

The subject is a shopping strip center that is 100% occupied by four tenants. Each tenant has typical retail finish outs that include, acoustical drop ceiling and some exposed joists, painted drywall, and various flooring types throughout. The shopping center is anchored by a 15,000 square foot grocery store. As of the date of inspection, the tenant had yet to occupy the space. However, the lease has commenced; thus, the subject is 100% occupied.

SALE COMPARABLE 4

Property Identification

Property Name	Miller Road Strip Center
Address	1501 W. Miller Road
City County State Zip	Garland, Dallas County, Texas 75041
MSA	Dallas
Tax ID	26678570010040000
VPA Property/Sale ID	11196396/1565491

Transaction Data

Sale Status	Closed
Sale Date	1/4/2022
Grantor/Seller	Dreh LLC
Grantee/Buyer	Sun Macro Corporation and/or permitted assigns
Recording Number	202200000842
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	63
Sales Price	$5,193,225
Adjusted Sales Price	$5,193,225

Adjusted Units of Comparison

Adj. Price PSF of GBA	$399.94
Adj. Price PSF of NRA	$399.94
Occupancy at Sale	100.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	8.0%
Expense PSF	$12.61
NOI PSF	$22.79
Cap. Rate (OAR)	5.70%
Expense Ratio	35.63%
EGIM	11.30
EDR (Cash on Cash)	6.00%

Property Description

Property Type	Convenience, Strip Center
Tenancy	Multi-Tenant
Occupancy Type	Tenant occupied
MVS Const. Class	C - Masonry
Construction Quality	Good
Gross Building SF	12,985
Net Rentable SF	12,985
Year Built	2014
Effective Age Est.	7
Building Condition	Good
Number of Stories	1
Sprinklers	Wet and dry system
Pkg/1,000 SF NRA	6.31
Usable Land/LtB Ratio	1.460 Acres / 4.90:1
Flr. Area Ratio (FAR)	0.20
Flood Hazard Zone	Flood Zone X (unshaded)
Zoning Code	CR

Remarks

The property is sold together with another property for a total of $7,775,000. The other property improvements consist of 5,950 square feet, which is located at 1370 W Belt Line Rd, Lancaster, TX 75146.

SALE COMPARABLE 5

Property Identification

Property Name	Belt Line Retail
Address	1370 West Belt Line Road
City County State Zip	Lancaster, Dallas County, Texas 75146
MSA	Dallas
Tax ID	364244700A0050000
VPA Property/Sale ID	11196400/1566868

Transaction Data

Sale Status	Closed
Sale Date	1/4/2022
Grantor/Seller	Dreh LLC
Grantee/Buyer	Sun Macro Corporation and/or permitted assigns
Recording Number	202200000842
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	63
Sales Price	$2,581,775
Adjusted Sales Price	$2,581,775

Adjusted Units of Comparison

Adj. Price PSF of GBA	$433.04
Adj. Price PSF of NRA	$433.04
Occupancy at Sale	100.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$9.06
NOI PSF	$24.94
Cap. Rate (OAR)	5.76%
Expense Ratio	26.65%
EGIM	12.73
EDR (Cash on Cash)	7.24%

Property Description

Property Type	Convenience, Strip Center
Tenancy	Multi-Tenant
Occupancy Type	Tenant occupied
MVS Const. Class	C - Masonry
Construction Quality	Good
Gross Building SF	5,962
Net Rentable SF	5,962
Year Built	2015
Effective Age Est.	6
Building Condition	Good
Number of Stories	1
Sprinklers	Wet and dry system
Pkg/1,000 SF NRA	5.20
Usable Land/LtB Ratio	0.680 Acres / 4.97:1
Flr. Area Ratio (FAR)	0.20
Flood Hazard Zone	Flood Zone X (unshaded)
Zoning Code	PD

Remarks

The property is sold together with another property for a total of $7,775,000. The other property improvements consist of 13,200 square feet, which is located at 1501 W Miller Rd, Garland, TX 75041. This shopping center is anchored by a Walmart Neighborhood Market. At the time of sale, this property was 100% occupied with three tenants and sold on a actual cap rate of 6.216%. The three-mile population is 48,786 and the median household income is $59,625. The traffic count is 33,044 VPD on W Belt Line Road from the west.

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Sales Comparison Analysis - Commercial Space

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the leased fee interest. Sale 1 conveyed the fee simple rights and was adjusted upward for lease up and associated costs. No other adjustments were warranted.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms.

All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

Expenditures Made Immediately After Purchase

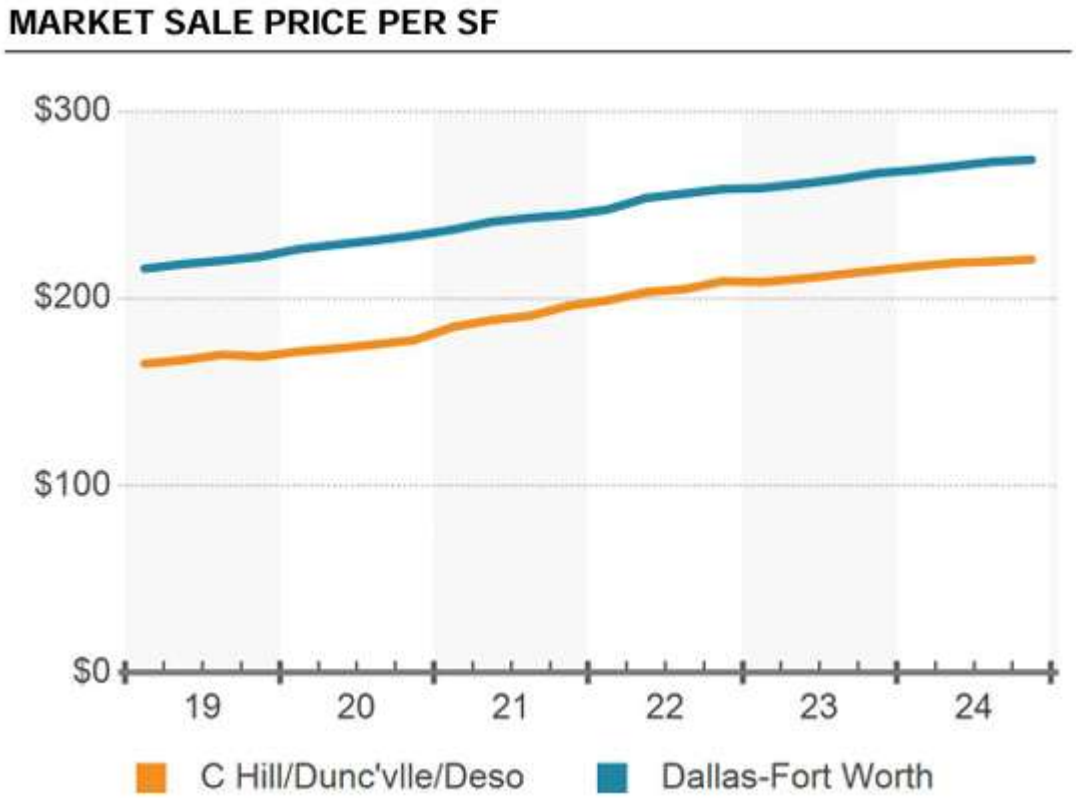
A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller.

Sale 2 was operating at below-stabilized occupancy levels and/or exhibited deferred maintenance at the time of sale with an upward adjustment necessary to reflect the buyers total stabilized acquisition price. The details of each adjustment are in the remarks of the respective sales profile.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

RETAIL MARKET



Discussions with market participants and a review of market data indicated overall market conditions for commercial space properties have been improving, with recent transactions confirming this trend. An annual adjustment factor of 2.00% was applied to each comparable to account for changes in market conditions.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments. The reasoning for the adjustments applied to each comparable follow.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject property is located along S Main Street with average access and average visibility.

Sale 1 has superior visibility and density of commercial properties that attract a greater number of people to the immediate area. It is adjusted downward.

Sale 2 is near a highway and has superior visibility and access. It is adjusted downward.

Sale 3 is in an inferior location based on lower demand. It is adjusted upward.

Sale 4 is in a superior area based on visibility and surrounding properties. A downward adjustment was warranted.

Sale 5 is in a superior location as it is adjacent to a Walmart. A downward adjustment was warranted.

Size

The size adjustment addresses variance in the net rentable area of the comparables and that of the subject, as a larger building typically commands a lower sale price per unit than a smaller building. This inverse relationship is due, in part, to the principle of "economies of scale."

The commercial space component of the subject property consists of 11,186 square feet of net rentable area. The improved sales range in size from 2,996 to 19,583 sf. The comparables are all income-producing properties with no size adjustments required.

Age/Condition

All else being equal, older properties typically command a lower price per unit than newer properties. However, although a property may be older than another property, the effective age may be similar to a newer property with no adjustment warranted. This may be due to the older property being well maintained or a recent renovation. The adjustments to the comparables were based on effective age rather than actual age, which takes the remaining economic life estimate into consideration. The Marshall Valuation Service depreciation schedule for commercial properties was utilized to extract appropriate adjustments, which is presented in the following table:

Marshall Valuation Service Depreciation Schedule - Commercial Space Component

Property	Effective Age	45-Year Depreciation	40-Year Depreciation
Sale 5	6	4.0%	6.0%
Sale 4	7	5.0%	7.0%
	8	6.0%	8.0%
	9	7.0%	10.0%
Subject	10	8.0%	11.0%
	11	9.0%	13.0%
	12	10.0%	14.0%
	13	12.0%	16.0%
	14	13.0%	18.0%
Sale 3	15	14.0%	20.0%
	16	16.0%	22.0%
	17	18.0%	24.0%
Sale 1	18	19.0%	26.0%
	19	21.0%	28.0%
Sale 2	20	23.0%	30.0%

The effective age and economic life of each property was estimated by the appraiser, and the adjustments were based on the difference between the indicated depreciation for the subject property and each comparable. In an effort to limit this adjustment to the contributory value of the subject and comparable improvements the extracted adjustments were reduced to 80.0% prior to application to the comparables. The adjustment calculations are presented in the following table:

Age/Condition Adjustment - Commercial Space Component

Component	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Year Built	1975	1986	1973	2014	2015
Condition	Good	Average	Average	Good	Good
Effective Age	18	20	15	7	6
Economic Life	45	40	40	45	45
Comparable MVS Depreciation	19.0%	30.0%	20.0%	5.0%	4.0%
Subject MVS Depreciation	- 6.0%	- 6.0%	- 6.0%	- 6.0%	- 6.0%
Variance	13.0%	24.0%	14.0%	-1.0%	-2.0%
Improvement Contribution Ratio	80.0%	80.0%	80.0%	80.0%	80.0%
Age/Condition Adjustment	**10.4%**	**19.2%**	**11.2%**	**-0.8%**	**-1.6%**

Construction Quality

The commercial space component of the subject property consists of good quality construction with an exterior finish of brick. The comps are similar and no adjustments were necessary.

Design/Functional Utility

The subject is a mix of commercial space, which varies in terms of cost. Restaurants are typically higher in cost to build out, while general retail is less. Sale 1 is 100% restaurant space and adjusted downward. No other adjustments were necessary.

Parking Ratio

Parking ratios impact market appeal to potential users. The commercial space component of the subject property has a parking ratio of 4.03 parking spots per 1,000 square feet of NRA, while the comparables have parking ratios ranging from 4.90 to 12.35 spaces per 1,000 square feet of NRA.

These parking ratios are sufficient for retail use with higher ratios increasing the pool of potential tenants and providing monetization opportunities for reserved spaces. Adjustments were applied for large variances. The 10% downward adjustment was made for Sale 1. No other adjustments were necessary.

Non-Realty Components

Sale 1 included non-realty, or FF&E, in the sale. We adjust that transaction downward. No other adjustments were warranted.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following adjustment grid:

COMPARABLE SALES ADJUSTMENT GRID - COMMERCIAL SPACE

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1695775	1690309	1590230	1565491	1566868
Date of Value & Sale	October-24	September-23	February-23	November-22	January-22	January-22
Property Name	Commercial Space	Former Pollo	Windsor Terrace	Simpson Stuart	Miller Road Strip	Belt Line Retail
Net Rentable Area	11,186 sf	2,996	16,757	19,583	12,985	5,962
Land Area (acres)	1.3091	0.5510	1.5618	1.9810	1.4600	0.6800
Unadjusted Sales Price		$1,280,000	$3,250,000	$1,800,000	$5,193,225	$2,581,775
Unadjusted Sales Price PSF of NRA		**$427.24**	**$193.95**	**$91.92**	**$399.94**	**$433.04**
Transactional Adjustments						
Property Rights Conveyed	*Leased Fee*	*Fee Simple*	*Leased Fee*	*Leased Fee*	*Leased Fee*	*Leased Fee*
Adjustment		5.0%	-	-	-	-
Adjusted Sales Price		$448.60	$193.95	$91.92	$399.94	$433.04
Financing Terms	*Cash to Seller*	*Cash to Seller*	*Cash to sellers*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*
Adjusted Sales Price		$448.60	$193.95	$91.92	$399.94	$433.04
Conditions of Sale	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*
Adjusted Sales Price		$448.60	$193.95	$91.92	$399.94	$433.04
Expenditures after Sale		*$0*	*$180,000*	*$0*	*$0*	*$0*
Adjustment		-	5.5%	-	-	-
Adjusted Sales Price		**$448.60**	**$204.69**	**$91.92**	**$399.94**	**$433.04**
Market Conditions Adjustments						
Elapsed Time from Date of Value		*1.15 years*	*1.73 years*	*1.99 years*	*2.82 years*	*2.82 years*
Market Trend Through	October-24	2.3%	3.5%	4.0%	5.6%	5.6%
Analyzed Sales Price		**$458.87**	**$211.78**	**$95.57**	**$422.47**	**$457.43**
Property Adjustments						
Location	*100 S Main St Duncanville, Texas*	*517 North Hampton Road Desoto, Texas*	*4801-4901 Little Road Arlington, Texas*	*3540 Simpson Stuart Road Dallas, Texas*	*1501 W. Miller Road Garland, Texas*	*1370 West Belt Line Road Lancaster, Texas*
Adjustment		-10.0%	-10.0%	10.0%	-10.0%	-10.0%
Size	11,186 sf	2,996 sf	16,757 sf	19,583 sf	12,985 sf	5,962 sf
Adjustment		-	-	-	-	-
Age/Condition Year Built	*2003*	*1975*	*1986*	*1973*	*2014*	*2015*
Condition	*Good*	*Good*	*Average*	*Average*	*Good*	*Good*
Effective Age	*10 years*	*18 years*	*20 years*	*15 years*	*7 years*	*6 years*
Economic Life	*50 Years*	*45 Years*	*40 Years*	*40 Years*	*45 Years*	*45 Years*
Adjustment		10.4%	19.2%	11.2%	-0.8%	-1.6%
Construction Quality	*Good Class S - Steel Frame*	*Good Class C - Masonry*	*Average Class C - Masonry*	*Average Class C - Masonry*	*Good Class C - Masonry*	*Good Class C - Masonry*
Adjustment		-	-	-	-	-
Design/Functional Utility	*Mix of Commercial Space*	*All Restaurant Space*	*Similar*	*Similar*	*Similar*	*Similar*
Adjustment		-20.0%	-	-	-	-
Parking Ratio	*3.89 per 1,000*	*12.35 per 1,000*	*5.49 per 1,000*	*4.90 per 1,000*	*6.31 per 1,000*	*5.20 per 1,000*
Adjustment		-10.0%	-	-	-	-
Non-Realty Components		*Incl FFE*				
Adjustment		-3.6%	-	-	-	-
Net Physical Adjustment		-33.2%	9.2%	21.2%	-10.8%	-11.6%
Gross Physical Adjustment		54.0%	29.2%	21.2%	10.8%	11.6%
Adjusted Sales Price PSF of NRA		**$306.36**	**$231.26**	**$115.83**	**$376.84**	**$404.37**

Sales Comparison Approach Value Indication - Commercial Space

The comparable sales were presented and adjusted based on pertinent elements of comparison. The following table summarizes the results of the analysis.

Improved Sales Statistics - Commercial Space Component

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Sq. Ft.	$91.92	$95.57	$115.83
Maximum Sale Price per Sq. Ft.	$433.04	$458.87	$404.37
Median Sale Price per Sq. Ft.	$399.94	$422.47	$306.36
Mean Sale Price per Sq. Ft.	$309.22	$329.22	$286.93

Sales 2, 3, 4 and 5 required the least adjustment and were considered the most comparable. They were given primary weight. The average of these is $282 psf. Sale 3 is unusually low, and we allocate less weight to it. Based on the adjusted prices and the most comparable sale, a unit value near the upper middle of the adjusted range was estimated for the subject property. The Commercial Space space sales comparison approach conclusion is presented in the following table:

Improved Sales Comparison Approach Value Indication - Commercial Space Component				
Reasonable Adjusted Comparable Range				
11,186 sf	x	$235.00	=	$2,628,710
11,186 sf	x	$400.00	=	$4,474,400
As Is Leased Fee Market Value Indication				
11,186 sf	x	**$300.00**	=	**$3,355,800**

Sales Comparison Approach - Multifamily Space

Unit of Comparison

The primary unit of comparison selected depends on the appraisal problem and nature of the property. The primary unit of comparison in the market for multifamily space properties such as the subject property is price per square foot of units.

Elements of Comparison

Elements of comparison are the characteristics or attributes of properties and transactions that cause the prices of real estate to vary. The primary elements of comparison considered in sales comparison analysis are as follows: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, (4) expenditures made immediately after purchase, (5) market conditions, (6) location, (7) physical characteristics, (8) economic characteristics, (9) legal characteristics, and (10) non-real components of value.

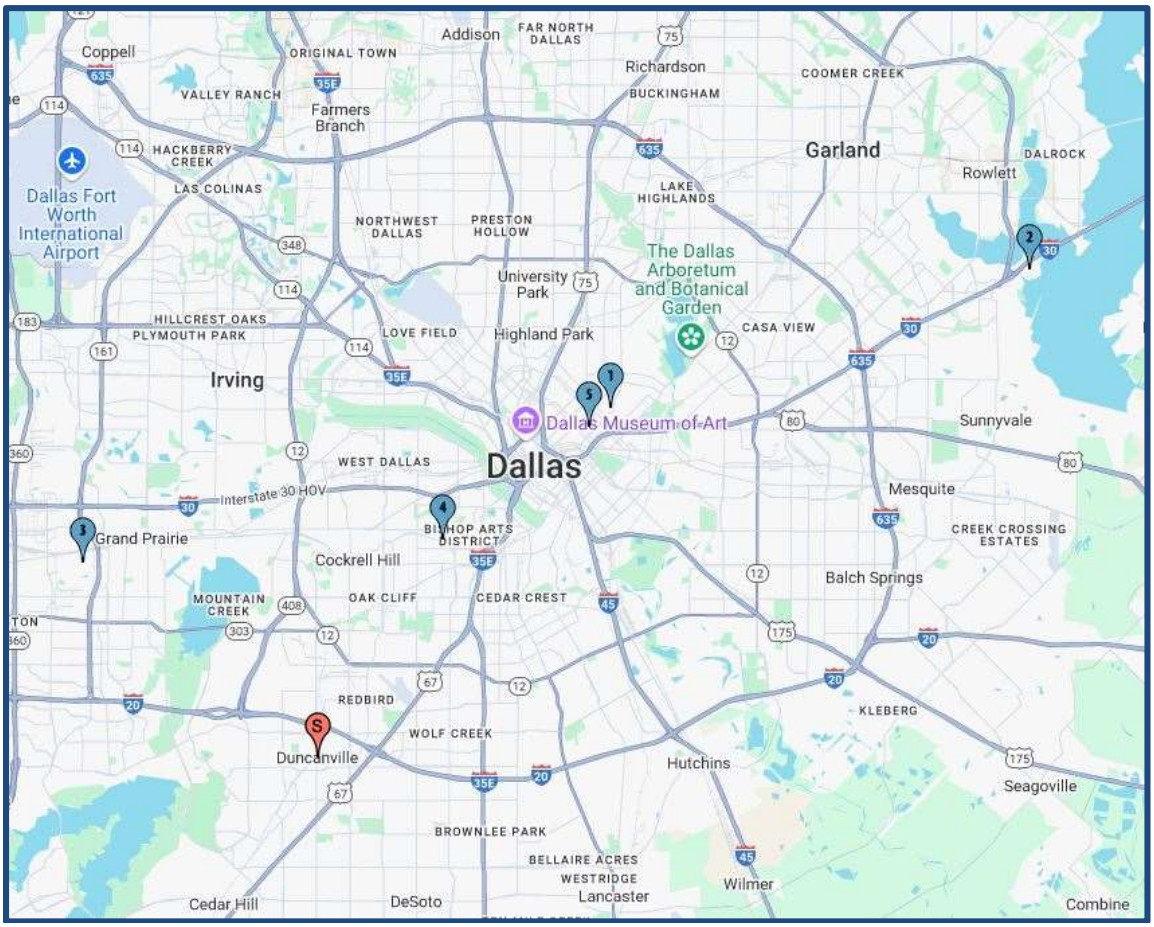
Comparable Sales Data

The market was studied to identify sales and listings of comparable properties with a focus on those that appeal to the most probable buyer of the subject property. These properties typically attract similar occupants based on location and appeal and have similar risk profiles. Of these transactions, sufficient sales data was available for the following sale comparables, which were analyzed to estimate a unit value for the subject property multifamily space. The following table summarizes the sale comparables utilized and a map illustrating the location of each in relation to the subject property follows. Details of each comparable follow the location map.

Improved Sales Summary - Multifamily Space Component

Comp. No.	Date of Sale	Property Name	Location		Year Built	No. of Units	Unadjusted Sale Price	PSF
1	June-24	Reiger Avenue Apartments	5526 Reiger Avenue	Dallas, Texas	1960	26	$3,155,000	$165.43
2	January-24	Marvin Loving Apartments	6002 Marvin Loving	Garland, Texas	1982	17	$1,940,000	$194.02
3	November-23	Roberts St Apartments	1814 W E Roberts St	Grand Prairie, Texas	1963	6	$570,000	$140.74
4	October-23	Edgefield Ave Apartments	100 N Edgefield Avenue	Dallas, Texas	1971	9	$923,753	$217.46
5	January-23	The Carroll Ann Apartments	316 N Carroll Ave	Dallas, Texas	1962	24	$3,000,000	$203.25

COMPARABLE SALES MAP - MULTIFAMILY SPACE



SALE COMPARABLE 1

Property Identification

Property Name	Reiger Avenue Apartments
Address	5526 Reiger Avenue
City County State Zip	Dallas, Dallas County, Texas 75214
MSA	Dallas
Tax ID	00000110125000000
VPA Property/Sale ID	11481404/1780765

Transaction Data

Sale Status	Closed
Sale Date	6/21/2024
Grantor/Seller	Robert Allegro Properties LLC
Grantee/Buyer	Parascus Management LLC
Recording Number	202400104950
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	81
Sales Price	$3,155,000
Adjusted Sales Price	$3,155,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$165.43
Adj. Price PSF of NRA	$165.43
Adj. Price per Unit	$121,346
Occupancy at Sale	100.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$6.65
Expense per Unit	$4,880
NOI PSF	$13.79
NOI per Unit	$10,116
Cap. Rate (OAR)	8.34%
Expense Ratio	32.54%
EGIM	8.09

Property Description

Property Type	Garden, Low-Rise
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	19,072
Net Rentable SF	19,072
No. of Units	26
No. of Rooms	34
Average Unit Size	734
Year Built	1960
Effective Age Est.	20
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	0.762 Acres / 1.74:1
Flr. Area Ratio (FAR)	0.57
Density (Units/Acre)	34.12
Flood Hazard Zone	Flood Zone X (unshaded)

Remarks

This 26-units property has 18 one-bedroom and 8 two-bedroom apartments.

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SALE COMPARABLE 2

Property Identification

Property Name	Marvin Loving Apartments
Address	6002 Marvin Loving
City County State Zip	Garland, Dallas County, Texas 75043
MSA	Dallas
Tax ID	26085000000A00101
VPA Property/Sale ID	11481395/1780760

Transaction Data

Sale Status	Closed
Sale Date	1/10/2024
Grantor/Seller	Stabbert Stacy S
Grantee/Buyer	Solis Luis
Recording Number	202400006952
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	119
Sales Price	$1,940,000
Adjusted Sales Price	$1,940,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$194.02
Adj. Price PSF of NRA	$194.02
Adj. Price per Unit	$114,118

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	8.0%
Expense PSF	$6.80
Expense per Unit	$4,000
NOI PSF	$9.76
NOI per Unit	$5,741
Cap. Rate (OAR)	5.03%
Expense Ratio	41.06%
EGIM	11.72

Property Description

Property Type	Garden, Low-Rise
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	9,999
Net Rentable SF	9,999
No. of Units	17
No. of Rooms	21
Average Unit Size	588
Year Built	1982
Effective Age Est.	15
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	1.511 Acres / 6.58:1
Flr. Area Ratio (FAR)	0.15
Density (Units/Acre)	11.25
Flood Hazard Zone	Flood Zone X (unshaded)

Remarks

There are three buildings in total, comprising nine ground-floor units and eight upper-floor units. Each unit is equipped with a fireplace, dishwasher, electric range, washer and dryer hookups, and a refrigerator.

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SALE COMPARABLE 3

Property Identification

Property Name	Roberts St Apartments
Address	1814 W E Roberts St
City County State Zip	Grand Prairie, Dallas County, Texas 75051
MSA	Dallas
Tax ID	28052501360170000
VPA Property/Sale ID	11481364/1780743

Transaction Data

Sale Status	Closed
Sale Date	11/20/2023
Grantor/Seller	Horton 6 Investments LLC
Grantee/Buyer	Jk Molina Investment LLC
Recording Number	202300253436
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	45
Sales Price	$570,000
Adjusted Sales Price	$570,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$140.74
Adj. Price PSF of NRA	$140.74
Adj. Price per Unit	$95,000
Occupancy at Sale	83.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$5.68
Expense per Unit	$3,833
NOI PSF	$7.38
NOI per Unit	$4,979
Cap. Rate (OAR)	5.24%
Expense Ratio	43.50%
EGIM	10.78

Property Description

Property Type	Garden, Low-Rise
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	4,050
Net Rentable SF	4,050
No. of Units	6
No. of Rooms	4
Average Unit Size	675
Year Built	1963
Effective Age Est.	20
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	0.178 Acres / 1.91:1
Flr. Area Ratio (FAR)	0.52
Density (Units/Acre)	33.71
Flood Hazard Zone	Flood Zone X (unshaded)

Remarks

With five out of six units already leased and five units recently remodeled, all units feature two bedrooms and one bathroom. This property offers convenient access to major highways, schools, shopping centers, and recreational amenities.

SALE COMPARABLE 4

Property Identification

Property Name	Edgefield Ave Apartments
Address	100 N Edgefield Avenue
City County State Zip	Dallas, Dallas County, Texas 75208
MSA	Dallas
Tax ID	00000260722000000
VPA Property/Sale ID	11481388/1780753

Transaction Data

Sale Status	Closed
Sale Date	10/27/2023
Grantor/Seller	905 Bishop LLC
Grantee/Buyer	BRC Property Ventures LLC
Recording Number	202300221170
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Days on Market	53
Sales Price	$923,753
Adjusted Sales Price	$923,753

Adjusted Units of Comparison

Adj. Price PSF of GBA	$217.46
Adj. Price PSF of NRA	$217.46
Adj. Price per Unit	$102,639
Occupancy at Sale	100.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Expense PSF	$11.77
Expense per Unit	$5,556
NOI PSF	$11.03
NOI per Unit	$5,206
Cap. Rate (OAR)	5.07%
Expense Ratio	51.62%
EGIM	9.54

Property Description

Property Type	Garden, Low-Rise
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	4,248
Net Rentable SF	4,248
No. of Units	9
No. of Rooms	2
Average Unit Size	472
Year Built	1971
Effective Age Est.	15
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	0.198 Acres / 2.03:1
Flr. Area Ratio (FAR)	0.49
Density (Units/Acre)	45.45
Flood Hazard Zone	Flood Zone X (unshaded)

Remarks

This property offers 9 units with fully occupied. The building includes four one-bedroom, one-bathroom units, four efficiency units, and one loft.

SALE COMPARABLE 5

Property Identification

Property Name	The Carroll Ann Apartments
Address	316 N Carroll Ave
City County State Zip	Dallas, Dallas County, Texas 75246
MSA	Dallas
Tax ID	00000125692000000
VPA Property/Sale ID	11396621/1713995

Transaction Data

Sale Status	Closed
Sale Date	1/27/2023
Grantor/Seller	Albertano Linda J Trust
Grantee/Buyer	Carroll Ann Dallas, LLC
Property Rights	Leased Fee
Financing	Cash to Seller
Conditions of Sale	Typical
Sales Price	$3,000,000
Adjusted Sales Price	$3,000,000

Adjusted Units of Comparison

Adj. Price PSF of GBA	$203.25
Adj. Price per Room	$125,000
Occupancy at Sale	98.0%

Financial Data (Stabilized Occupancy)

Stabilized Vacancy	5.0%
Cap. Rate (OAR)	4.44%
Expense Ratio	53.92%
EGIM	10.37

Property Description

Property Type	Garden, Low-Rise
Investment Class	C
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	14,760
Net Rentable SF	14,760
No. of Units	24
No. of Rooms	24
Year Built	1962
Effective Age Est.	25
Building Condition	Average
Number of Stories	2
Usable Land/LtB Ratio	0.650 Acres / 1.92:1
Flr. Area Ratio (FAR)	0.52
Density (Units/Acre)	36.92
Flood Hazard Zone	Zone X Unshaded

Remarks

On January 27, 2023, the 14,760 square foot class C multi-family building at 316 N. Carroll Avenue in Dallas, Texas was sold. The details of this transaction were verified with a source deemed reliable. The capitalization rate was 4.44%.

Sales Comparison Analysis - Multifamily Space

When necessary, adjustments were made for differences in various elements of comparison, including property rights conveyed, financing terms, conditions of sale, expenditures made immediately after purchase, market conditions, location, and other physical characteristics. If the element in comparison is considered superior to that of the subject, we applied a negative adjustment. Conversely, a positive adjustment to the comparable was applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: (1) real property rights conveyed, (2) financing terms, (3) conditions of sale, and (4) expenditures made immediately after purchase. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Real Property Rights Conveyed

Real property rights conveyed influence sales prices and must be considered when analyzing a sale comparable. The property rights appraised reflect the leased fee interest is considered. All of the sale comparables conveyed the same interest; therefore, no adjustments were required.

Financing Terms

The transaction price of one property may differ from that of an identical property due to different financial arrangements. Sales involving financing terms that are not at or near market terms require adjustments for cash equivalency to reflect typical market terms. A cash equivalency procedure discounts the atypical mortgage terms to provide an indication of value at cash equivalent terms.

All of the comparable sales involved typical market terms by which the sellers received cash or its equivalent and the buyers paid cash or tendered typical down payments and obtained conventional financing at market terms for the balance. Therefore, no adjustments for this category were required.

Conditions of Sale

Atypical conditions of sale may result in a price that is higher or lower than a normal transaction. Such atypical conditions of sale often occur in conjunction with sales between related parties or those in which one of the parties is atypically motivated to complete the transaction. Additionally, a downward adjustment may be applied to a listing price, which usually reflects the upper limit of value. The sale comparables do not indicate any condition of sale adjustments were warranted for atypical conditions or for-sale listings.

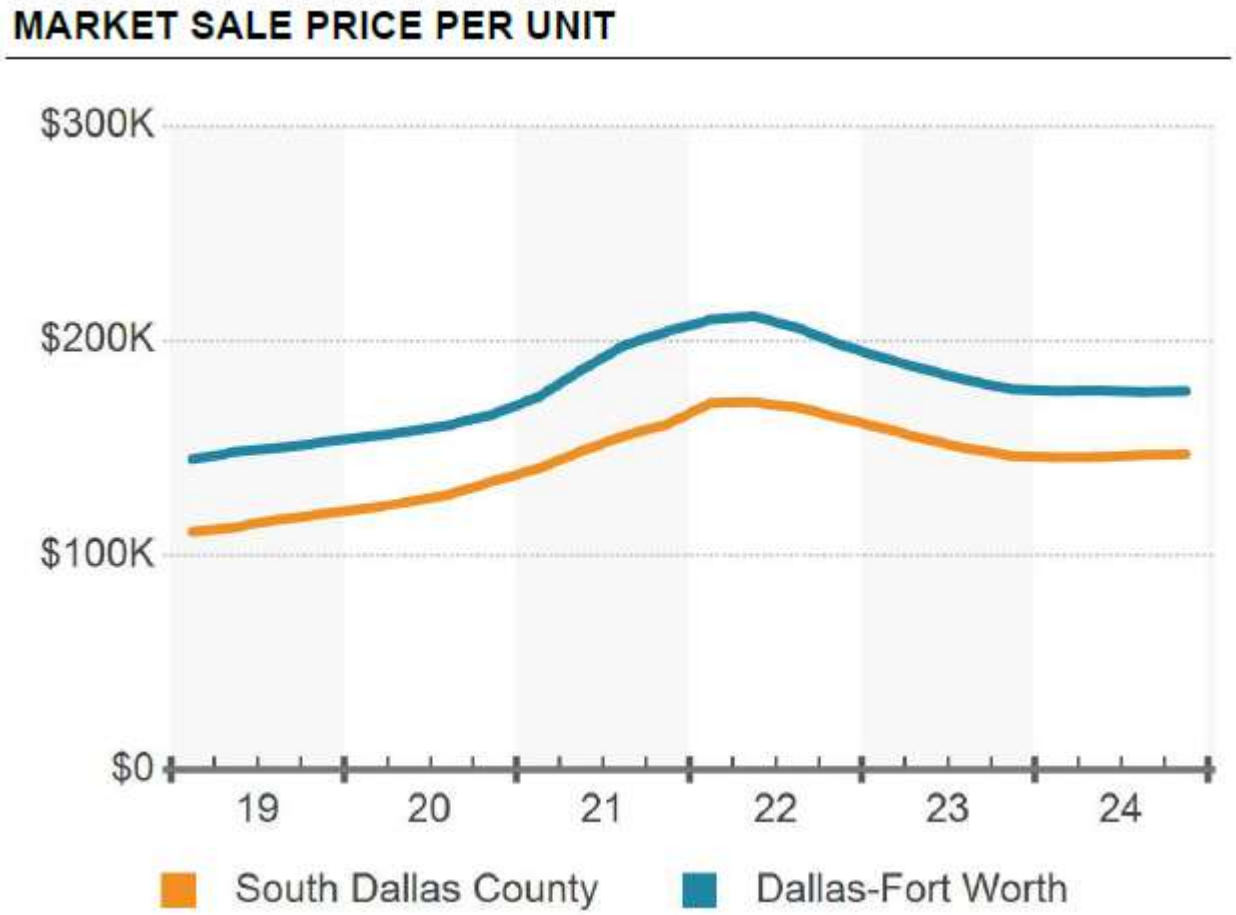
Expenditures Made Immediately After Purchase

A knowledgeable buyer considers expenditures required upon purchase of a property, as these costs affect the price the buyer agrees to pay. Such expenditures may include: costs to cure deferred maintenance, costs to demolish and remove any portion of the improvements, costs to petition for a zoning change, costs to remediate environmental contamination and/or costs to occupy or stabilize the property. The relevant figure is not the actual cost incurred, but the cost anticipated by both the buyer and seller. The parties to the sale comparables did not anticipate expenditures immediately after purchase; no adjustments were required.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable sale transactions completed during periods of dissimilar market conditions.

MULTIFAMILY MARKET



Discussions with market participants and a review of market data indicated overall market conditions for multifamily space properties have been declining, with recent transactions confirming this trend. As such, applied an adjustment to each comparable based on a factor of -1.00% per year.

Property Adjustments

Property adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect the differences in value attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. These adjustments are based on locational and physical characteristics and are applied after the application of transaction and market conditions adjustments. The reasoning for the adjustments applied to each comparable follow.

Location

Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood

characteristics, freeway accessibility, street exposure, corner- versus interior-lot location, neighboring properties, view amenities, and other factors.

The subject property is located along S Main Street with average access and average visibility.

Sale 1, 4, and 5 are in a high dense area, and a superior submarket. Thus, a downward adjustment of 10.0% was warranted for Sale 1 and 5; while a downward adjustment of 5% was warranted for Sale 4. No other adjustments were warranted.

Size

The size adjustment addresses variance in the units of the comparables and that of the subject, as a larger building typically commands a lower sale price per unit than a smaller building. This inverse relationship is due, in part, to the principle of "economies of scale."

The multifamily space component of the subject property consists of 14 units. The improved sales range in size from 6 to 26 units. The comparables are all income-producing properties with no size adjustments required.

Age/Condition

All else being equal, older properties typically command a lower price per unit than newer properties. However, although a property may be older than another property, the effective age may be similar to a newer property with no adjustment warranted. This may be due to the older property being well maintained or a recent renovation. The adjustments to the comparables were based on effective age rather than actual age, which takes the remaining economic life estimate into consideration. The Marshall Valuation Service depreciation schedule for commercial properties was utilized to extract appropriate adjustments, which is presented in the following table:

Marshall Valuation Service Depreciation Schedule - Multifamily S

Property	Effective Age	60-Year Depreciation
Subject	10	3.0%
	11	4.0%
	12	4.0%
	13	5.0%
	14	5.0%
Sale 2 and Sale 4	15	6.0%
	16	7.0%
	17	7.0%
	18	8.0%
	19	9.0%
Sale 1 and Sale 3	20	9.0%
	21	10.0%
	22	11.0%
	23	12.0%
	24	13.0%
Sale 5	25	14.0%

The effective age and economic life of each property was estimated by the appraiser, and the adjustments were based on the difference between the indicated depreciation for the subject property and each comparable. In an effort to limit this adjustment to the contributory value of the subject and comparable improvements the extracted adjustments were reduced to 80.0% prior to application to the comparables. The adjustment calculations are presented in the following table:

Age/Condition Adjustment - Multifamily Space Component

Component	Sale 1	Sale 2	Sale 3	Sale 4	Sale 5
Year Built	1960	1982	1963	1971	1962
Condition	Average	Average	Average	Average	Average
Effective Age	20	15	20	15	25
Economic Life	60	60	60	60	60
Comparable MVS Depreciation	9.0%	6.0%	9.0%	6.0%	14.0%
Subject MVS Depreciation	- 6.0%	- 6.0%	- 6.0%	- 6.0%	- 6.0%
Variance	3.0%	0.0%	3.0%	0.0%	8.0%
Improvement Contribution Ratio	80.0%	80.0%	80.0%	80.0%	80.0%
Age/Condition Adjustment	**2.4%**	**0.0%**	**2.4%**	**0.0%**	**6.4%**

Construction Quality

The multifamily space component of the subject property consists of good construction quality that is similar enough to all the Sales to not warrant any adjustments for this category.

Design/Functional Utility

The subject property has an average unit size of 757 square feet. The comparables ranged from 472 to 734 square feet. See the matrix as adjustments were warranted.

Parking Ratio

Parking ratios impact market appeal to potential users. These parking ratios are sufficient for this use with no adjustments warranted.

Summary of Adjustments

A summary of the adjustments made to the sale comparables is presented in the following adjustment grid:

COMPARABLE SALES ADJUSTMENT GRID - MULTIFAMILY SPACE

	Subject	Sale # 1	Sale # 2	Sale # 3	Sale # 4	Sale # 5
Sale ID		1780765	1780760	1780743	1780753	1713995
Date of Value & Sale	October-24	June-24	January-24	November-23	October-23	January-23
Property Name	Multifamily Space	Reiger Avenue	Marvin Loving	Roberts St	Edgefield Ave	The Carroll Ann
Gross Building Area	11,161 sf	19,072	9,999	4,050	4,248	14,760
Number of Units	14 units	26	17	6	9	24
Land Area (acres)	1.3091	0.7620	1.5110	0.1780	0.1980	0.6500
Unadjusted Sales Price		$3,155,000	$1,940,000	$570,000	$923,753	$3,000,000
Unadjusted Sales Price per Unit		**$121,346**	**$114,118**	**$95,000**	**$102,639**	**$125,000**
Transactional Adjustments						
Property Rights Conveyed	*Leased Fee*	*Leased Fee*	*Leased Fee*	*Leased Fee*	*Leased Fee*	*Leased Fee*
Adjusted Sales Price		$121,346.15	$114,117.65	$95,000.00	$102,639.22	$125,000.00
Financing Terms	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*	*Cash to Seller*
Adjusted Sales Price		$121,346.15	$114,117.65	$95,000.00	$102,639.22	$125,000.00
Conditions of Sale	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*	*Typical*
Adjusted Sales Price		$121,346.15	$114,117.65	$95,000.00	$102,639.22	$125,000.00
Expenditures after Sale		*$0*	*$0*	*$0*	*$0*	
Adjustment		-	-	-	-	-
Adjusted Sales Price		**$121,346**	**$114,118**	**$95,000**	**$102,639**	**$125,000**
Market Conditions Adjustments						
Elapsed Time from Date of Value		*0.35 years*	*0.80 years*	*0.94 years*	*1.01 years*	*1.75 years*
Market Trend Through	October-24	-0.4%	-0.8%	-0.9%	-1.0%	-1.8%
Analyzed Sales Price		**$120,917**	**$113,205**	**$94,107**	**$101,607**	**$122,808**
Property Adjustments						
Location	*100 S Main St Duncanville, Texas*	*5526 Reiger Avenue Dallas, Texas*	*6002 Marvin Loving Garland, Texas*	*1814 W E Roberts St Grand Prairie,*	*100 N Edgefield Avenue Dallas, Texas*	*316 N Carroll Ave Dallas, Texas*
Adjustment		-10.0%	-	-	-5.0%	-10.0%
Size	14 units	26 units	17 units	6 units	9 units	24 units
Adjustment		-	-	-	-	-
Age/Condition Year Built	*2003*	*1960*	*1982*	*1963*	*1971*	*1962*
Condition	*Good*	*Average*	*Average*	*Average*	*Average*	*Average*
Effective Age	*10 years*	*20 years*	*15 years*	*20 years*	*15 years*	*25 years*
Economic Life	*50 Years*	*60 Years*	*60 Years*	*60 Years*	*60 Years*	*60 Years*
Adjustment		2.4%	-	2.4%	-	6.4%
Construction Quality	*Good Class S - Steel Frame*	*Average Class D - Wood Frame*	*Average Class D - Wood Frame*	*Average Class D - Wood Frame*	*Average Class D - Wood Frame*	*Average Class D - Wood Frame*
Adjustment		-	-	-	-	-
Design/Functional Utility	*757*	*734*	*588*	*675*	*472*	*615*
Adjustment		-	5.0%	-	10.0%	5.0%
Parking Ratio	*3.89 per 1,000*	*Similar*	*Similar*	*Similar*	*Similar*	*Similar*
Adjustment		-	-	-	-	-
Net Physical Adjustment		-7.6%	5.0%	2.4%	5.0%	1.4%
Gross Physical Adjustment		12.4%	5.0%	2.4%	15.0%	21.4%
Adjusted Sales Price per Unit		**$111,728**	**$118,865**	**$96,366**	**$106,688**	**$124,528**

Sales Comparison Approach Value Indication - Multifamily Space

The comparable sales were presented and adjusted based on pertinent elements of comparison. The following table summarizes the results of the analysis.

Improved Sales Statistics - Multifamily Space Component

Metric	Unadjusted	Analyzed	Adjusted
Minimum Sale Price per Unit	$95,000	$94,107	$96,366
Maximum Sale Price per Unit	$125,000	$122,808	$124,528
Median Sale Price per Unit	$114,118	$113,205	$111,728
Mean Sale Price per Unit	$111,621	$110,529	$111,635

Sale 1 was considered the most comparable and was given the most weight. Based on the adjusted prices and the most comparable sale, a unit value near the lower middle of the adjusted range was estimated for the subject property. The Multifamily Space sales comparison approach conclusion is presented in the following table:

Improved Sales Comparison Approach Value Indication - Multifamily Space Component				
Reasonable Adjusted Comparable Range				
14 units	x	$100,000	=	$1,400,000
14 units	x	$130,000	=	$1,820,000
Preliminary As Is Leased Fee Market Value Indication				
14 units	x	**$110,000**	=	**$1,540,000**

Sales Comparison Approach Conclusions

Based on this analysis and reconciliation of the two separate components of the subject property, the sales comparison indication is presented in the following table:

Improved Sales Comparison Approach Value Indication				
Commercial Space Component				
11,186 sf	x	$300.00	=	**$3,355,800**
Multifamily Space Component				
11,161 sf	x	$110,000	=	**$1,540,000**
As Is Leased Fee Market Value Indication				**$4,900,000**

Effective Gross Income Multiplier Method

An alternate method of valuation for the sales comparison approach is the effective gross income multiplier (EGIM) method. Investment multifamily properties like some of the space in the subject are typically purchased based on their income production capacities. Differences in income from property to property can cause considerable variances in the unit price. As our sale set presented a wide range of unit value indications, an available economic unit of comparison, the EGIM was deemed more appropriate than a traditional unit price adjustment methodology, which would require significant adjustments. As the income generated by a property reflects the location, quality, condition, and other factors, a comparison can be made without adjusting for these dissimilarities.

An EGIM is calculated by dividing the sales price by the effective gross income for that sale. Support for an appropriate EGIM for the subject is provided by comparable sales, which are summarized in the following table.

EGIM Comparables

Comp. No.	Date of Sale	Property Name	Location		Year Built	OER	Stabilized EGIM
1	September-23	Former Pollo Regio	517 North Hampton Road	Desoto, Texas	1975		13.7
2	February-23	Windsor Terrace Shopping Center	4801-4901 Little Road	Arlington, Texas	1986	23.0%	10.2
3	November-22	Simpson Stuart Retail	3540 Simpson Stuart Road	Dallas, Texas	1973	31.7%	6.4
4	January-22	Miller Road Strip Center	1501 W. Miller Road	Garland, Texas	2014	35.6%	11.3
5	January-22	Belt Line Retail	1370 West Belt Line Road	Lancaster, Texas	2015	26.7%	12.7
6	June-24	Reiger Avenue Apartments	5526 Reiger Avenue	Dallas, Texas	1960	32.5%	8.1
7	January-24	Marvin Loving Apartments	6002 Marvin Loving	Garland, Texas	1982	41.1%	11.7
8	November-23	Roberts St Apartments	1814 W E Roberts St	Grand Prairie, Texas	1963	43.5%	10.8
9	October-23	Edgefield Ave Apartments	100 N Edgefield Avenue	Dallas, Texas	1971	51.6%	9.5
10	January-23	The Carroll Ann Apartments	316 N Carroll Ave	Dallas, Texas	1962	53.9%	10.4

Value Conclusion via the EGIM Method

As indicated, an advantage to performing an EGIM analysis is that a comparison can be made without adjusting for various dissimilarities such as location, size, age, condition, etc. The market considers these elements of comparison intrinsically within their respective rental rates. The tendencies of the EGIMs extracted from the sales are summarized as follows:

EGIM Comparable Statistics

Metric	Stabilized
Minimum EGIM	6.4
Maximum EGIM	13.7
Median EGIM	10.6
Mean EGIM	10.5

Because it is multifamily properties that use the EGIM method, the average for the multifamily properties is 10.1. Retail typically has a lower OER when compared to multifamily. Sale 1 is a net leased property and ignored for this analysis. The average of the retail, without Sale 1 is 10.2.

Based on the data presented, with emphasis on the most similar sales, an effective gross income multiplier near the mid-point of the range was reasonable and supported. Based on this analysis, the EGIM indication is summarized as follows:

Effective Gross Income Multiplier Value Indication				
Indicated Reasonable Value Range				
$521,657	x	8.1	=	$4,225,423
$521,657	x	12.7	=	$6,625,046
As Is Leased Fee Market Value Indication				
$521,657	x	**9.0**	=	**$4,690,000**

Income Capitalization Approach

Methodology

The Income Capitalization Approach is developed by converting anticipated future income into a present value by a capitalization process. There are two types of capitalization: direct capitalization and yield capitalization, more commonly known as discounted cash flow (DCF) analysis.

Income-producing properties, by nature, are developed and purchased for investment purposes, where earning power, including an income stream and return of investment, are the most critical elements affecting value. The forecast of income and selection of appropriate rate(s) are therefore important aspects of the valuation process. The process of developing the income approach consists of the following analyses: Income, Vacancy, Expense, and Rate Analysis.

Application of Methodology

Given the nature of the property being appraised, the direct capitalization method was used to develop a value indication.

Income Analysis

The income analysis involves a review of the existing subject leases (if any) and comparison to market rent levels, as well as additional income sources and expense recoveries. The sum of all income results in potential gross income (PGI).

Rent Roll

The subject property is leased to multiple tenants and the rent roll follows:

Unit	Tenant	Status	Rent	Square Feet	Lease From	Lease To	Move-In	Lease Type
100 A	Ling Shen Liang	Current	4125.00	1,915	04/01/2019	3/3/2027	04/01/2019	Triple Net
100 B	Jesus Najera	Current	0.00	1,082	10/01/2024	09/30/2029	08/01/2024	Triple Net
100 C	Dionne Robinson	Current	1055.00	422	06/01/2024	05/31/2027	06/01/2024	Triple Net
102	Leshnja, LLC dba Roma's Italian Bistro	Current	3275.00	1,565	11/01/2016	10/31/2026	11/01/2011	Triple Net
104	Francisco Rosales	Current	1645.25	946	07/01/2020	06/30/2030	07/01/2020	Triple Net
105	Francisco Rosales	Current	539.25	250	12/1/2020	06/30/2030	12/01/2020	Triple Net
106	Misti Blackwell	Current	1106.67	664	12/01/2019	11/30/2024	12/01/2019	Triple Net
108	Stahley Sargent	Current	1441.88	769	04/01/2021	03/31/2027	04/01/2021	Triple Net
110	Hausofphreedom, LLG	Current	1133.00	769	06/01/2023	05/31/2026	06/01/2023	Triple Net
112	Amys Marketing LLC	Notice-Rented	1569.75	1,014	11/01/2021	10/31/2024	11/01/2021	Triple Net
114	Denisse Ledezma	Current	1313.00	744	01/01/2024	12/31/2028	12/01/2023	Triple Net
116	Gilded Age Cigars, LLC	Current	2150.61	1,046	08/01/2024	07/31/2029	0B/01/2024	Triple Net
201	Tracy Shook	Current	1800.00	1,078	12/01/2023	11/30/2024	12/01/2023	Gross+Electric
203	Mary Williamson	Current	1025.00	755	09/01/2022	08/31/2025	09/01/2022	Gross+Electric
205	LaShawna Bailey	Current	990.00	754	09/01/2017	08/31/2025	09/01/20]5	Gross+Electric
207	Jeff Jones	Current	1000.00	1,100	08/01/2024	07/31/2025	08/01/2024	Gross+Electric
209	Cadon Lacy	Current	1550.00	1,288	07/01/2019	06/30/2026	07/01/2019	Gross+Electric
211	Carlos Gonzales	Current	945.00	819	12/01/2016	11/30/2024	11/15/2011	Gross+Electric
213	Frank Celis	Current	850.00	506	01/01/2023	03/31/2025	01/01/2023	Gross+Electric
215	Ky|e Clark	Current	1210.00	754	08/01/2022	07/31/2025	08/01/2022	Gross+Electric
217	Gary Fadeley	Current	850.00	546	06/01/2017	05/31/2025	05/12/2016	Gross+Electric
219	Lisa White	Current	1135.00	728	06/01/2023	05/31/2025	06/01/2023	Gross+Electric
221	Lawrence Rodriguez	Current	955	546	12/15/2022	12/31/2024	12/15/2022	Gross+Electric
223	Tifffany Cooper	Currrent	895.00	506	01/01/2024	12/31/2024	12/31/2024	Gross+Electric
225	Robert Wallace	Current	1075	754	05/01/2017	04/30/2025	5/1/2012	Gross+Electric
227	Wetix, Inc.	Current	1,300.00	1,027	09/15/2019	09/30/2025	09/15/2019	Gross+Electric
32 Units				**22,347**				

The blue highlight is the commercial/retail units on the first floor. The red highlighted are the apartment units.

There are 12 commercial units, which range from 250 to 1,915 square feet and an average of 932 square feet. Only one suite of 1,082 square feet is vacant. The lease rates range from $17.68 to $30.00 per square feet, an average of $22.99 per square foot and a median of $22.50 per square foot.

The remaining lease terms range from one month to 5.67 years, with an average lease term of 3 years.

There are 14 apartment units, all of which were on the second floor. All of the units are efficiency units. They range in size from 506 to 1,288 square feet, with an average of 797 square feet. All of the units are currently leased and occupied. The rates range from $850 to $1,800 per month, with an average of $1,113 per month. The range per square foot is $0.91 to $1.77 per square foot, with an average of $1.44 and a median of $1.49 per square foot.

Market Rent Estimate

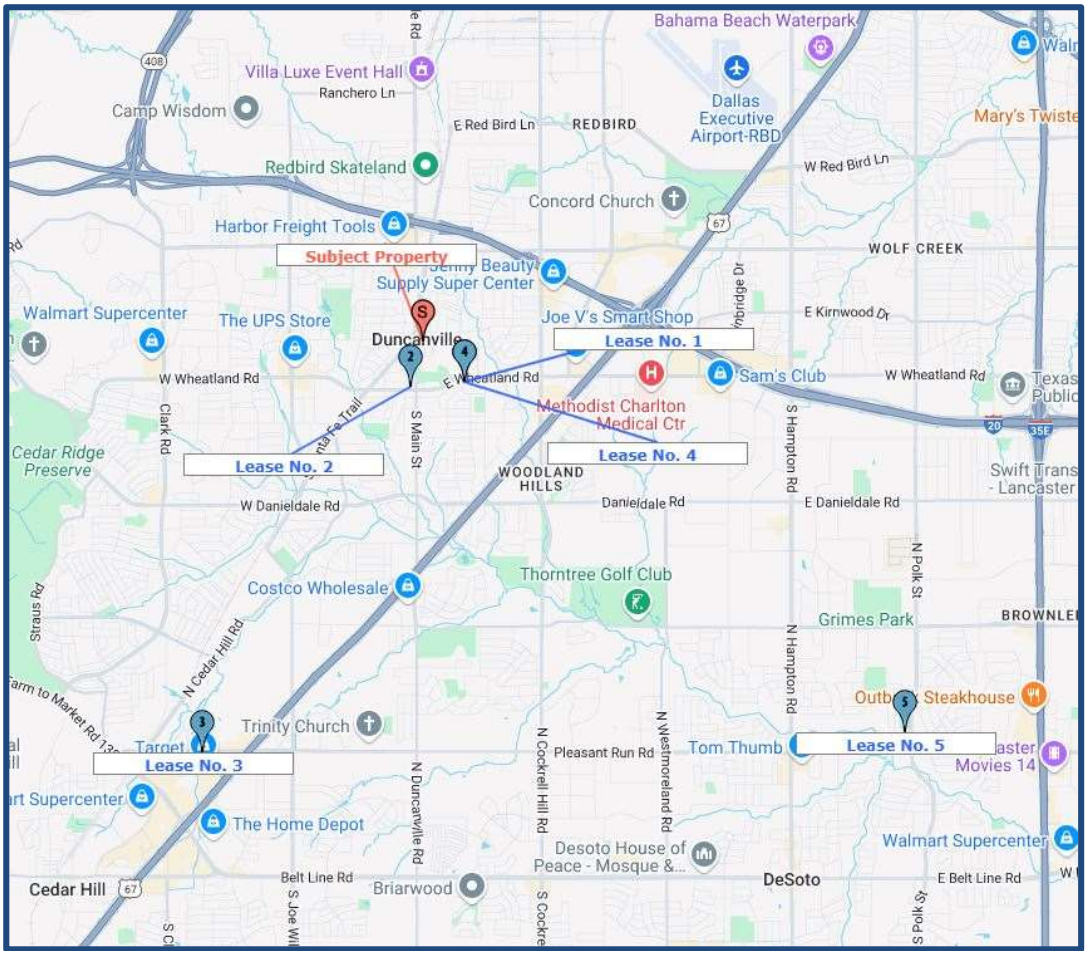
The market was studied to identify the most comparable properties with a focus on those that compete for occupants based on location and appeal. Of these properties, rental data was available for the following rent comparables, which were analyzed to estimate market rent for the commercial/ retail at the subject property. After the following analysis, we provide a separate rental analysis for the apartment units.

Each rent comparable is identified in the following table and is followed by a map illustrating the location of each comparable relative to the subject property. Details of each comparable follow the location map.

Rent Comparable Summary

Comp. No.	Date of Survey / Lease	Comp. Type	Property Name	Location		Year Built	Property Occupancy	Rental Rate / SF	Lease Structure
1	June-24	Lease	Wheatland Plaza	402-466 E Wheatland Rd	Duncanville, Texas	1972	92.5%	$31.87	Triple Net
2	May-23	Lease	Wheatland Convenience Store	117-119 W Wheatland Rd	Duncanville, Texas	1985	54.1%	$23.29	Triple Net
3	March-23	Lease	Center City Shopping Center	210 E. Pleasant Run Rd	Desoto, Texas	1995	96.0%	$19.00	Triple Net
4	November-22	Lease	Wheatland Plaza	402-466 E Wheatland Rd	Duncanville, Texas	1972	86.7%	$19.00	Triple Net
5	October-22	Lease	Townsend Square	901 North Polk Street	DeSoto, Texas	1985		$20.00	Triple Net

RENT COMPARABLE LOCATION MAP



RENT COMPARABLE 1

Property Identification

Property Name	Wheatland Plaza
Suite Number	1st floor- 408
Address	402-466 E Wheatland Rd
City County State Zip	Duncanville, Dallas County, Texas 75116
MSA	Dallas
VPA Property/Rent ID	11481341/701688

Transaction Data

Survey Date	10/30/2024
Lease Status	Executed
Lease Signed	05-01-2024
Commencement	06-01-2024
Expiration	05-31-2029
Term (Months)	60
Lessee/Tenant	Undisclosed
Lease Structure	Triple Net
TI Allowance PSF	$.00
Concessions PSF	$.00
Concessions Detail	None
Rent Escalations	Flat
Occupancy	92.5%

Rental Rates

Initial Rental Rate	$31.87
Effective Rental Rate	$31.87

Property Description

Property Type	Convenience Store
Leased Space Type	Retail - In-Line
Tenancy	Multi-Tenant
Tenant SF	401
Investment Class	B
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	42,211
Net Rentable SF	42,211
Year Built	1972
Effective Age Est.	15
Building Condition	Average
Number of Stories	1
Pkg/1,000 SF NRA	9.59

Remarks

This is a 401 sf retail space leased at the rate of $31.87 per square foot per annum. The property was reported to be in average condition with a reported occupancy of 92.5%.

RENT COMPARABLE 2

Property Identification

Property Name	Wheatland Convenience Store
Suite Number	1st floor-193 G
Address	117-119 W Wheatland Rd
City County State Zip	Duncanville, Dallas County, Texas 75116
MSA	Dallas
VPA Property/Rent ID	11481342/701689

Transaction Data

Survey Date	10/30/2024
Lease Status	Executed
Lease Signed	04-01-2023
Commencement	05-01-2023
Expiration	04-30-2028
Term (Months)	60
Lessee/Tenant	Undisclosed
Lease Structure	Triple Net
TI Allowance PSF	$.00
Concessions PSF	$.00
Concessions Detail	None
Rent Escalations	Flat
Occupancy	54.1%

Rental Rates

Initial Rental Rate	$23.29
Effective Rental Rate	$23.29

Property Description

Property Type	Convenience Store
Leased Space Type	Retail - Ground Floor
Tenancy	Multi-Tenant
Tenant SF	353
Investment Class	C
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	5,125
Net Rentable SF	5,125
Year Built	1985
Effective Age Est.	15
Building Condition	Average
Number of Stories	1
Pkg/1,000 SF NRA	5.85

Remarks

This is a 353 sf retail space leased at the rate of $23.29 per square foot per annum. The property was reported to be in average condition with a reported occupancy of 54.1%.

RENT COMPARABLE 3

Property Identification

Property Name	Center City Shopping Center
Suite Number	1st floor
Address	210 E. Pleasant Run Rd
City County State Zip	Desoto, Dallas County, Texas 75115
MSA	Dallas
VPA Property/Rent ID	11165073/696073

Transaction Data

Survey Date	8/28/2024
Lease Status	Executed
Commencement	03-01-2023
Expiration	04-30-2027
Term (Months)	50
Lessee/Tenant	Groom Grant Salon
Lease Structure	Triple Net
TI Allowance PSF	$.00
Concessions PSF	$.00
Concessions Detail	None
%/Overage Clause	Unknown
%/Overage Rent PSF	$.00
Rent Escalations	3% annually
Occupancy	96.0%

Rental Rates

Initial Rental Rate	$19.00
Effective Rental Rate	$20.76

Property Description

Property Type	Neighborhood Center
Leased Space Type	Retail - In-Line
Tenant SF	1,200
MVS Const. Class	S - Steel Frame
Construction Quality	Average
Gross Building SF	69,090
Net Rentable SF	69,090
Year Built	1995
Effective Age Est.	15
Building Condition	Good
Pkg/1,000 SF NRA	5.63

Remarks

This is a 1,200 sf retail space leased at the rate of $20.76 per square foot per annum. The property was reported to be in average condition with a reported occupancy of 96.0%.

RENT COMPARABLE 4

Property Identification

Property Name	Wheatland Plaza
Suite Number	1st floor- 9
Address	402-466 E Wheatland Rd
City County State Zip	Duncanville, Dallas County, Texas 75116
MSA	Dallas
VPA Property/Rent ID	11481341/701690

Transaction Data

Survey Date	10/30/2024
Lease Status	Executed
Lease Signed	10-01-2022
Commencement	11-01-2022
Expiration	10-31-2027
Term (Months)	60
Lessee/Tenant	214 Pet Supply
Lease Structure	Triple Net
TI Allowance PSF	$.00
Concessions PSF	$.00
Concessions Detail	None
Rent Escalations	Flat
Occupancy	86.7%

Rental Rates

Initial Rental Rate	$19.00
Effective Rental Rate	$19.00

Property Description

Property Type	Convenience Store
Leased Space Type	Retail - In-Line
Tenancy	Multi-Tenant
Tenant SF	1,400
Investment Class	B
MVS Const. Class	D - Wood Frame
Construction Quality	Average
Gross Building SF	42,211
Net Rentable SF	42,211
Year Built	1972
Effective Age Est.	17
Building Condition	Average
Number of Stories	1
Pkg/1,000 SF NRA	9.59

Remarks

This is a 1,400 sf retail space leased at the rate of $19.00 per square foot per annum. The property was reported to be in average condition with a reported occupancy of 86.7%.

RENT COMPARABLE 5

Property Identification

Property Name	Townsend Square
Suite Number	332
Address	901 North Polk Street
City County State Zip	DeSoto, Dallas County, Texas 75115
MSA	Dallas
Tax ID	201040000A0030000
VPA Property/Rent ID	10933443/687889

Transaction Data

Survey Date	5/29/2024
Lease Status	Executed
Lease Signed	10-19-2022
Commencement	10-19-2022
Expiration	10-31-2025
Term (Months)	37
Lessee/Tenant	Wise Staffing
Lease Structure	Triple Net
TI Allowance PSF	$.00
Concessions PSF	$.00
Concessions Detail	None
Rent Escalations	Flat

Rental Rates

Initial Rental Rate	$20.00
Effective Rental Rate	$20.00

Property Description

Property Type	Neighborhood Center
Leased Space Type	Neighborhood Center
Tenancy	Multi-Tenant
Tenant SF	1,040
Investment Class	C
MVS Const. Class	C - Masonry
Construction Quality	Average
Gross Building SF	83,894
Net Rentable SF	83,894
Year Built	1985
Building Condition	Average
Number of Stories	1
Sprinklers	Wet and dry system
Bay Depth (ft)	75
Pkg/1,000 SF NRA	3.70

Remarks

This is a 1,040 sf retail space leased at the rate of $20.00 per square foot per annum. The property was reported to be in average condition.

Market Rent Analysis

When necessary, adjustments were made for differences in the various elements of comparison, including lease structure, market conditions, location, size and other relevant factors. If the element in comparison is considered superior to that of the subject, a negative adjustment was applied. Conversely, a positive adjustment is applied if inferior. A summary of the elements of comparison follows.

Transaction Adjustments

Transaction adjustments include: expense structure, concessions, tenant improvement allowances and conditions of lease. These items, which are applied prior to the market conditions and property adjustments, are discussed as follows:

Expense Structure

The market rent estimate is based on a triple net lease structure. The rent comparables exhibited rental rates negotiated on the same basis with no expense structure adjustments required.

Rental Concessions

Rental concessions are generally provided in the form of free rent and must be accounted for in the market rent estimate. No rent comparables were reporting rental concessions upon the date of value. Therefore, no adjustments were required.

Tenant Improvement Allowances

The rent comparables do not include any leases with over-base-level tenant improvement allowances. Therefore, no tenant improvement allowance adjustments were required.

Conditions of Lease

No atypical conditions of lease were noted and the for-lease listing rates were reported as representative of consummated market transactions.

Market Conditions Adjustment

Market conditions change over time because of inflation, deflation, fluctuations in supply and demand, or other factors. Changing market conditions may create a need for adjustment to comparable rent transactions consummated during periods of dissimilar market conditions.

The submarket historical average rent growth was 2.1%. Within the last 12 months, it was 4.1%, according to CoStar.

Discussions with market participants and a review of market data indicated overall market conditions for retail properties have been improving with recent leases confirming this trend. As such an adjustment based on a factor of 3.00% per year was applied to each comparable.

Property Adjustments

Property Adjustments are usually expressed quantitatively as percentages or dollar amounts that reflect differences in rental rates attributable to the various characteristics of the property. In some instances, however, qualitative adjustments are used. Property adjustments are based on locational

and physical characteristics and are made after the application of transaction and market conditions adjustments. The reasoning for the adjustments applied to each comparable follows.

Location
Location adjustments may be required when the locational characteristics of a comparable are different from those of the subject. These characteristics can include general neighborhood characteristics, freeway accessibility, street exposure, corner versus interior lot location, neighboring properties, view amenities, and other factors.

The subject property is located along S Main Street with average access and average visibility. All comparables were in the same general area with no adjustments necessary.

Tenant Space Size
The size adjustment addresses variance in the rentable area of the comparables and that of the subject, as larger lease space often commands a lower rental rate per unit than does a smaller space. This inverse relationship is due, in part, to the principle of "economies of scale. " The average space size for the retail/commercial space was 932 square feet.

Rental 1: a downward adjustment of 10.0% was warranted.
Rental 2: a downward adjustment of 10.0% was warranted.
Rental 3: an upward adjustment of 5.0% was warranted.
Rental 4: an upward adjustment of 5.0% was warranted.
Rental 5: no adjustment was warranted.

Age/Condition
The subject property was built in 2003 and, as of the date of value, was in good condition, with an effective age of 10 years. The subject property and the comparables are generally in similar condition but have effective ages from 15 to 17 years. Effective age can have a large impact on sales prices due to the varying remaining economic life and renovation costs that will be required, but the impact on rental rates is nominal. Leases are temporary, typically lasting 3 to 10 years; therefore, tenants do not generally put much emphasis on effective age. The impact of effective age is predominantly reflected in the capitalization rate.

The age of the subject property and Rental 3 is within a narrow range with no adjustment required. However, the remaining Rentals were older and perceived by the market as inferior. This is a significant enough difference that warrants adjustment. An upward adjustment of 5.0% was applied.

Design/Functional Utility
No adjustments were necessary.

Lease Term
No adjustments were necessary.

Summary of Adjustments

A summary of the adjustments made to the rent comparables is presented in the following adjustment grid:

RENT COMPARABLE ADJUSTMENT GRID

		Rental # 1	Rental # 2	Rental # 3	Rental # 4	Rental # 5
Comparable ID		701688	701689	696073	701690	687889
Date of Value & Survey/Lease	October-24	June-24	May-23	March-23	November-22	October-22
Property Name	Duncanville Main Station	Wheatland Plaza	Wheatland Convenience Store	Center City Shopping Center	Wheatland Plaza	Townsend Square
Net Rentable Area	22,347 sf	42,211 sf	5,125 sf	69,090 sf	42,211 sf	83,894 sf
Land Area (acres)	1.309	7.5	0.55	7.32	7.5	6.1815
Annual Rental Rate		**$31.87**	**$23.29**	**$19.00**	**$19.00**	**$20.00**
Transactional Adjustments						
Expense Structure	*Triple Net*	*Triple Net*	*Triple Net*	*Triple Net*	*Triple Net*	*Triple Net*
	Annual Expenses (PSF)	*$0.00*	*$0.00*	*$0.00*	*$0.00*	*$0.00*
Rent Concessions		*None*	*None*	*None*	*None*	*None*
Adjustment		$0.00	$0.00	$0.00	$0.00	$0.00
Tenant Imp. Allowance - Over Base Amount		$0.00	$0.00	$0.00	$0.00	$0.00
Adjustment		$0.00	$0.00	$0.00	$0.00	$0.00
Net Lease Structure Adjustment		$0.00	$0.00	$0.00	$0.00	$0.00
Effective Rental Rate		**$31.87**	**$23.29**	**$19.00**	**$19.00**	**$20.00**
Conditions of Lease		*Executed*	*Executed*	*Executed*	*Executed*	*Executed*
Adjustment		$0.00	$0.00	$0.00	$0.00	$0.00
Adjusted Rental Rate		**$31.87**	**$23.29**	**$19.00**	**$19.00**	**$20.00**
Market Conditions Adjustments						
Elapsed Time from Date of Value		*0.41 years*	*1.50 years*	*1.66 years*	*1.99 years*	*2.03 years*
Market Trend Through	October-24	1.2%	4.5%	5.0%	6.0%	6.1%
Analyzed Rental Rate		**$32.26**	**$24.34**	**$19.95**	**$20.14**	**$21.22**
Property Adjustments						
Location	*100 S Main St*	*402-466 E Wheatland Rd*	*117-119 W Wheatland Rd*	*210 E. Pleasant Run Rd*	*402-466 E Wheatland Rd*	*901 North Polk Street*
	Duncanville, Texas	*Duncanville, Texas*	*Duncanville, Texas*	*Desoto, Texas*	*Duncanville, Texas*	*DeSoto, Texas*
Adjustment		-	-	-	-	-
Tenant Space Size	*932 sf*	*401 sf*	*353 sf*	*1,200 sf*	*1,400 sf*	*1,040 sf*
Adjustment		-10.0%	-10.0%	5.0%	5.0%	-
Age/Condition Year Built	*2003*	*1972*	*1985*	*1995*	*1972*	*1985*
Condition	*Good*	*Average*	*Average*	*Good*	*Average*	*Average*
Adjustment		5.0%	5.0%	-	5.0%	5.0%
Design/Functional Utility						
Adjustment		-	-	-	-	-
Lease Term		*5.0 years*	*5.0 years*	*4.2 years*	*5.0 years*	*3.1 years*
Adjustment		-	-	-	-	-
Net Physical Adjustment		-5.0%	-5.0%	5.0%	10.0%	5.0%
Adjusted Annual Rental Rate		**$30.65**	**$23.12**	**$20.95**	**$22.15**	**$22.28**

Market Rent Conclusions

The rent comparables were adjusted based on pertinent elements of comparison with the unadjusted and adjusted rental rates presented in the following table:

Rent Comparable Statistics

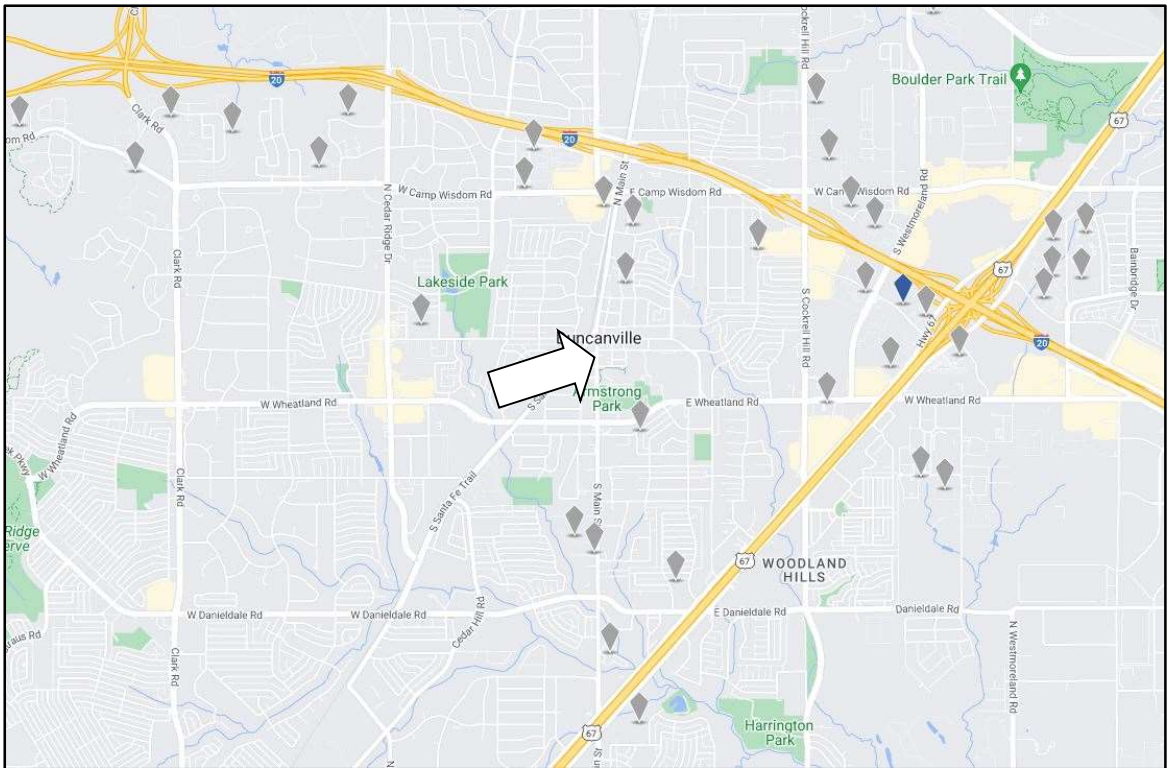
Metric	Unadjusted	Analyzed	Adjusted
Minimum Rental Rate	$19.00	$19.95	$20.95
Maximum Rental Rate	$31.87	$32.26	$30.65
Median Rental Rate	$20.00	$21.22	$22.28
Mean Rental Rate	$22.63	$23.58	$23.83

All comparables were given weight. Based on the adjusted rental rates and the most comparable rental, a triple net rental rate near the middle of the range, or $23.00 per square foot, estimated for the subject property.

Multifamily Rent Analysis

The following is our analysis of the multifamily space market in the subject's area. The subject has efficiency units only. However, there are minimal efficiency units in the subject's area. As a result, we had to analyze the one-bedroom unit market.

There are 37 properties with one-bedroom market units in the subject's area. They are depicted below.



Property Name	Star Rating	Number of Beds	Number Of Units	Year Built	Year Renovated	Vacancy %	One-Bed Unit SF	Avg One-Bed Asking/Unit	Avg One-Bed Asking/SF	Avg One-Bed Effective/Unit	Avg One-Bed Effective/SF
Candlelight Park	3	1	128	1980	2003	6.3	688	$1,273	$2	$1,261	$2
Las Ventanas	3	1	158	1978		9.7	613	$1,021	$2	$1,016	$2
The Colonies Apartments	3	1	210	1984		6.4	762	$1,337	$2	$1,377	$2
Cedar Glen	3	1	218	1986	2018	3.6	707	$1,176	$2	$1,167	$2
Austin Bluff	4	1	232	2000		4.2	718	$1,266	$2	$1,257	$2
Cedar Lake Apartments	3	1	196	2023		6.9	686	$1,505	$2	$1,495	$2
Hidden Oasis	2	1	348	1973		6.0	680	$852	$1	$846	$1
Regal Crossing Apartments	2	1	384	1983		15.7	666	$975	$1	$965	$1
Mandalay Palms Shore Side	3	1	298	1985		15.0	657	$982	$1	$973	$1
Ridge Parc	4	1	376	2002		1.7	680	$1,130	$2	$1,124	$2
Clark Ridge Canyon	4	1	248	2019		17.6	714	$1,409	$2	$1,395	$2
The Paxton	3	1	270	1984	2018	6.7	638	$1,121	$2	$1,113	$2
The Interlace	3	1	432	1986		8.1	533	$755	$1	$747	$1
Cadence	3	1	156	1985		1.9	734	$931	$1	$922	$1
Bella Ruscello	4	1	216	2007		4.7	692	$1,310	$2	$1,310	$2
The Booker Apartments	4	1	440	1982	2016	10.7	744	$1,083	$1	$1,079	$1
Redbird Village Apartments	3	1	164	1970		0.0	824	$1,233	$2	$1,230	$1
1303 Main	3	1	192	1984		4.4	805	$1,214	$2	$1,202	$1
Champions Cove	4	1	150	2004		4.0	826	$1,592	$2	$1,580	$2
Exchange 7272	3	1	436	1988		3.1	663	$893	$1	$884	$1
The Caleb	3	1	242	1986	1997	6.1	634	$957	$2	$947	$1
Luna Apartments	3	1	300	1985		4.9	459	$869	$2	$862	$2
Meadows on Merrill	3	1	201	1970	1995	6.0	616	$1,365	$2	$1,355	$2
4060 Preferred Place	3	1	232	1986		3.0	638	$1,165	$2	$1,154	$2
Jefferson Cedar Ridge	4	1	360	2023		17.2	736	$1,476	$2	$1,421	$2
Mount Vernon	4	1	432	1985		6.2	700	$1,183	$2	$1,175	$2
Wexford Townhomes	3	1	122	1984	2013	4.6	821	$1,297	$2	$1,284	$2
The Woods of Five Mile Creek	4	1	214	2003		8.0	692	$1,272	$2	$1,261	$2
Westmoor Apartment Homes	3	1	350	1984	2006	4.7	679	$1,036	$2	$1,027	$2
Average	3	1		1990	2008	6.8	690	$1,161.31	$1.69	$1,152.72	$1.67
Median	3	1		1985	2010	6.0	688	$1,176.00	$1.66	$1,167.00	$1.66
Main Station	**3**	**0**	**14**	**2003**		**0.0**	**797**	**$1,113.00**	**$1.40**	**$1,113.00**	**$1.40**
Comparison to Subject		Comps are Superior		Comps are Inferior		0% Vacancy could indicate leaving rent on the table	Warrants Lower PSF Rent for Subject				
Market Rent Conclusion								**$1,200**	**$1.51**	**$18.067754**	

There are a few things to point out. The subject compares favorably to the average and median year built in the area. However, the comparables are all one-bedroom units, and are superior. As such, these adjustments would negate each other. The subject's size is slightly larger, which could attain a smaller per square foot rent.

But the vacancy is at 0%, which could indicate conservative operation techniques, and not actively pushing rents to keep up with market. The vacancy of the one-bedrooms in this area is 6.8% on average, and the median is 6.0%. This seems like a healthy submarket for one-bedrooms, in terms of vacancy. The subject's rents are averaging $1.40 psf while the market average is $1.69 and the median is $1.66 psf. As such, we conclude to an average market rent of $1,200 per month per unit, which is $18.07 psf per year.

Market/Contract Rental Rate Analysis

The subject property is leased to multiple tenants with an average contract rental rate of $0.00 per square foot. This is 1.4% below the estimated market rental rate of $0.00 per square foot, as shown in the following table:

Market vs. Contract Rental Rate Comparison

Space Type	NRA	Market	Contract	Variance
Retail - In-Line	11,186 SF	$23.00 PSF	$22.99 PSF	0.0% Below Market
Apartment	11,161 SF	$18.07 PSF	$16.75 PSF	7.3% Below Market
Total Weighted Average	**22,347 SF**	**$20.54 PSF**	**$19.87 PSF**	3.2% Below Market

The average contract rental rate was 3.2% below market, reflecting a leasehold interest. This small of a difference is immaterial, and no adjustment was necessary.

Potential Rental Income

Potential rental income during the first year of the analysis was estimated based on the terms of the existing leases.

Expense Recoveries

The subject leases have a triple net lease structure with real estate taxes, property insurance, management fees and common area maintenance expenses reimbursable for the commercial space. The apartment space is leased on a gross plus e basis with the tenant paying electric directly to provider and the landlord bearing the other expenses. Remember the two space types are divided equally at 50% commercial/50% multifamily space.

Other Income

The subject has six storage units that they rent out. The rental rates vary from $0-40. We conclude to $25 per month as we consider that storage units typically have a higher vacancy rate.

Vacancy/Collection Loss

In this section, the subject's existing vacancy is compared to the market. Turnover and collection loss is also considered. The application of vacancy loss develops effective gross income (EGI), discussed as follows. A comparison of the Dallas-Fort Worth MSA and Duncanville Submarket is presented below:

Historical Vacancy

Period	Dallas-Fort Worth MSA - Strip Shopping Centers	Duncanville Submarket - Strip Shopping Centers
2024 Q3	6.1%	7.2%
2023 Q3	6.3%	6.5%
2022 Q3	6.0%	3.9%
2021 Q3	7.4%	6.3%
2020 Q3	8.0%	5.4%
2019 Q3	6.3%	5.0%
Average	**6.7%**	**5.7%**

Given the subject's location and the market data presented, a stabilized vacancy of 7.0% was estimated. In addition, a collection loss of 1.0% was applied.

Expense Analysis

Operating expenses represent deductions from the effective gross income that are necessary to maintain the leasing operations of the property. The subject property leases are based on triple net lease structures with tenants reimbursing the following expenses: real estate taxes, property insurance, management fees and common area maintenance. The analysis accounts for all expense categories, as the landlord will be responsible for all expenses during periods of vacancy.

Subject Expense History

The subject operating history was reviewed to estimate subject expenses and is presented in the following table:

Subject Operating Statements

Statement Type	Actual			Actual			Actual		
12 Month Period Ending	December-21			December-22			December-23		
Occupancy	**95%**			**95%**			**97%**		
Revenue	**Amount**	**PSF**	**% of EGI**	**Amount**	**PSF**	**% of EGI**	**Amount**	**PSF**	**% of EGI**
Rental Income	$383,769	$17.17	84.1%	$416,087	$18.62	84.5%	$414,417	$18.54	83.8%
Expense Reimbursements	$64,649	$2.89	14.2%	$71,999	$3.22	14.6%	$76,633	$3.43	15.5%
Other Income	$7,753	$0.35	1.7%	$4,180	$0.19	0.8%	$3,282	$0.15	0.7%
Effective Gross Income	**$456,171**	**$20.41**	100.0%	**$492,266**	**$22.03**	100.0%	**$494,332**	**$22.12**	100.0%
Operating Expenses									
Real Estate Taxes	$103,922	$4.65	22.8%	$84,487	$3.78	17.2%	$56,663	$2.54	11.5%
Property Insurance	$16,782	$0.75	3.7%	$11,932	$0.53	2.4%	$19,589	$0.88	4.0%
Management Fees	$18,876	$0.84	4.1%	$20,627	$0.92	4.2%	$20,746	$0.93	4.2%
Common Area Maintenance	$106,664	$4.77	23.4%	$121,691	$5.45	24.7%	$102,396	$4.58	20.7%
Landlord Costs	$20,276	$0.91	4.4%	$49,089	$2.20	10.0%	$49,616	$2.22	10.0%
Total Operating Expenses	**$266,520**	**$11.93**	**58.4%**	**$287,826**	**$12.88**	**58.5%**	**$249,010**	**$11.14**	**50.4%**
Net Operating Income	**$189,651**	**$8.49**	**41.6%**	**$204,440**	**$9.15**	**41.5%**	**$245,322**	**$10.98**	**49.6%**

Expense Comparables

A search for recent expense data of properties similar to the subject property was conducted. The following expense comparables were identified and used to estimate expenses for the subject property. The expense comparable data is presented in the following table:

Expense Comparables

Category	Expense Comp # 1			Expense Comp # 2			Expense Comp # 3			Expense Comp # 4		
Expense ID	62148			85697			79775			77340		
Location	Dallas, Texas			Dallas, Texas			Dallas, Texas			Richardson, Texas		
Investment Class	A			A			A			B		
Statement Type	Proforma			Actual			Actual			Actual		
12 Month Period Ending	December-24			December-22			December-22			December-21		
Occupancy				79.0%			95.0%			100.0%		
Net Rentable Area	250,000 SF to 350,000 SF			250,000 SF to 350,000 SF			100,000 SF to 150,000 SF			5,000 SF to 15,000 SF		
	Amount	**PSF**	**% of EGI**	**Amount**	**PSF**	**% of EGI**	**Amount**	**PSF**	**% of EGI**	**Amount**	**PSF**	**% of EGI**
Effective Gross Income	**$8,753,820**	**$29.34**	**100.0%**	**$12,257,255**	**$37.76**	**100.0%**	**$6,836,742**	**$51.46**	**100.0%**	**$222,010**	**$26.82**	**100.0%**
Operating Expenses												
Real Estate Taxes	$1,543,797	$5.17	17.6%	$2,516,638	$7.75	20.5%	$560,076	$4.22	8.2%	$21,027	$2.54	9.5%
Other Taxes				$60,307	$0.19	0.5%						
Property Insurance	$106,875	$0.36	1.2%	$40,916	$0.13	0.3%	$194,741	$1.47	2.8%	$14,500	$1.75	6.5%
Management Fees	$240,730	$0.81	2.7%	$352,320	$1.09	2.9%	$1,592,267	$11.98	23.3%	$0		
Administrative	$100,125	$0.34	1.1%	$382,275	$1.18	3.1%	$213,530	$1.61	3.1%	$0		
Utilities	$106,875	$0.36	1.2%	$518,053	$1.60	4.2%	$225,203	$1.70	3.3%			
Repairs & Maintenance	$139,360	$0.47	1.6%	$586,460	$1.81	4.8%	$457,254	$3.44	6.7%			
Common Area Maintenance										$6,590	$0.80	3.0%
Cleaning & Janitorial	$0			$317,266	$0.98	2.6%	$95,379	$0.72	1.4%	$0		
Leasing Expenses	$65,000	$0.22	0.7%									
Payroll	$295,000	$0.99	3.4%	$552,713	$1.70	4.5%	$424,061	$3.19	6.2%			
Security				$344,010	$1.06	2.8%	$95,107	$0.72	1.4%			
Roads & Grounds				$193,203	$0.60	1.6%						
Other Operating Expenses							$128,634	$0.97	1.9%			
Landlord Costs				$309,275	$0.95	2.5%	$21,295	$0.16	0.3%			
Replacement Reserves	$56,250	$0.19	0.6%									
Total Operating Expenses	**$2,654,012**	**$8.89**	**30.3%**	**$6,173,436**	**$19.02**	**50.4%**	**$4,007,547**	**$30.16**	**58.6%**	**$42,117**	**$5.09**	**19.0%**

The above table has many line-item expenses, some of which are included in a Common Area Maintenance expense (CAM). For the purposes of estimating a market CAM expense, we aggregate the applicable line-item expenses in the above table into one category that we name CAM. See table below for more details.

Common Area Maintenance

	Expense Comp #1	PSF	Expense Comp #2	PSF	Expense Comp #3	PSF	Expense Comp #4	PSF
Administrative	$100,125	$0.34	$382,275	$1.18	$213,530	$1.61		
Repairs & Maintenance	$139,360	$0.47	$586,460	$1.81	$457,254	$3.44	$6,590	$0.80
Cleaning & Janitorial	*Not Applicable for Subject*							
Leasing Expenses	$65,000	$0.22						
Payroll	$295,000	$0.99	$552,713	$1.70	$424,061	$3.19		
Security	*Not Applicable for Subject*							
Roads & Grounds			$193,203	$0.60				
Other Operating Expenses					$128,634	$0.97		
TOTAL CAM	**$599,485**	**$2.01**	**$1,714,651**	**$5.28**	**$1,223,479**	**$9.21**	**$6,590**	**####**

Reimbursable Expenses

As for reimbursable expenses, the subject property is almost right down the middle in terms of split between commercial/retail space and multifamily/apartment space. The commercial retail, if you recall, are encumbered by triple net leases with the tenants reimbursing the taxes, insurance, management, and CAM. The apartment leases are gross plus electric. The tenants generally pay their rent and a separately metered electric bill straight to the electric provider. Any expenses for electric during vacancy will be accounted for in the Landlord Expense category, which is not reimbursable.

Like the split of leased square feet, the taxes, insurance, management, and CAM is split 50%/50% between the two of commercial and multifamily space for reimbursable and non-reimbursable expenses.

Real Estate Taxes

In the Assessment and Tax Data section of this report, we estimated a tax expense of $58,369 or $2.61 per square foot.

Property Insurance

The following table presents the expense comparable and subject historical expense data used to estimate property insurance expense for the subject property and the stabilized estimate:

Property Insurance

Expense Source	Per Sq. Ft.	% of EGI
Expense Comp # 1 - Dallas, Texas - Proforma - 12/2024	$0.36	1.2%
Expense Comp # 2 - Dallas, Texas - Actual - 12/2022	$0.13	0.3%
Expense Comp # 3 - Dallas, Texas - Actual - 12/2022	$1.47	2.8%
Expense Comp # 4 - Richardson, Texas - Actual - 12/2021	$1.75	6.5%
Subject Actual - 12/2021	$0.75	3.7%
Subject Actual - 12/2022	$0.53	2.4%
Subject Actual - 12/2023	$0.88	4.0%
Indicator Average	*$0.84*	*3.0%*
Stabilized Estimate:	*$0.82*	*3.5%*

Management Fees

The following table presents the expense comparable and subject historical expense data used to estimate management fees for the subject property and the stabilized estimate:

Management Fees

Expense Source	Per Sq. Ft.	% of EGI
Expense Comp # 1 - Dallas, Texas - Proforma - 12/2024	$0.81	2.7%
Expense Comp # 2 - Dallas, Texas - Actual - 12/2022	$1.09	2.9%
Expense Comp # 3 - Dallas, Texas - Actual - 12/2022	$11.98	23.3%
Subject Actual - 12/2021	$0.84	4.1%
Subject Actual - 12/2022	$0.92	4.2%
Subject Actual - 12/2023	$0.93	4.2%
Indicator Average	*$2.76*	*6.9%*
Stabilized Estimate:	*$0.98*	*4.2%*

Common Area Maintenance (CAM)

The following table presents the expense comparable and subject historical expense data used to estimate common area maintenance expense for the subject property and the stabilized estimate:

Common Area Maintenance

Expense Source	Per Sq. Ft.	% of EGI
Expense Comp # 1 - Dallas, Texas - Proforma - 12/2024	$2.01	6.8%
Expense Comp # 2 - Dallas, Texas - Actual - 12/2022	$5.28	14.0%
Expense Comp # 3 - Dallas, Texas - Actual - 12/2022	$9.21	17.9%
Expense Comp # 4 - Richardson, Texas - Actual - 12/2021	$0.80	3.0%
Subject Actual - 12/2021	$4.77	23.4%
Subject Actual - 12/2022	$5.45	24.7%
Subject Actual - 12/2023	$4.58	20.7%
Indicator Average	*$4.59*	*15.8%*
Stabilized Estimate:	*$5.10*	*21.8%*

Landlord Costs

The owner of the subject property will incur landlord expenses associated with the property that will not be passed on to the tenant such as accounting, legal and administrative expenses. Landlord costs were estimated at $1.75 per square foot.

Total Expense Estimate Comparison

The following table provides a direct comparison of the total expense estimate to the expense comparable and subject historical expense excluding replacement reserves:

Total Operating Expenses

Expense Source	Per Sq. Ft.	% of EGI
Expense Comp # 1 - Dallas, Texas - Proforma - 12/2024	$8.89	30.3%
Expense Comp # 2 - Dallas, Texas - Actual - 12/2022	$19.02	50.4%
Expense Comp # 3 - Dallas, Texas - Actual - 12/2022	$30.16	58.6%
Expense Comp # 4 - Richardson, Texas - Actual - 12/2021	$5.09	19.0%
Subject Actual - 12/2021	$11.93	58.4%
Subject Actual - 12/2022	$12.88	58.5%
Subject Actual - 12/2023	$11.14	50.4%
Indicator Average	*$14.16*	*46.5%*
Stabilized Estimate:	$11.26	*48.2%*

Net Operating Income Comparison

Net operating income consists of the income remaining after all operating expenses are deducted from effective gross income, but before mortgage debt service and other non-periodic leasing and capital expenditures. The following table provides a comparison of the subject historical net operating income and the appraiser estimates:

Net Operating Income

Income Source	Per Sq. Ft.	% of EGI
Subject Actual - 12/2021	$8.49	41.6%
Subject Actual - 12/2022	$9.15	41.5%
Subject Actual - 12/2023	$10.98	49.6%
Subject Average	*$9.54*	*44.2%*
Stabilized Estimate:	*$12.08*	*51.8%*

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Net Operating Income (NOI) Calculation

The subject stabilized net operating income calculation is presented in the following table:

Stabilized Net Operating Income Schedule

Category	NRA		Per Sq. Ft.		Total	% of EGI
Potential Rental Income						
Retail - In-Line	11,186 sf	x	$23.00	=	$257,278	49.3%
Apartment	11,161 sf	x	$18.07	=	$201,654	38.7%
Total Potential Rental Income	**22,347 sf**	**x**	**$20.54**	**=**	**$458,932**	**88.0%**
Potential Gross Non-Rental Income						
Expense Reimbursements			$4.76		$106,287	20.4%
Other Income					$1,800	0.3%
Plus: Total Potential Gross Non-Rental Income			**$4.84**		**$108,087**	**20.7%**
Potential Gross Income (PGI)			**$25.37**		**$567,019**	**108.7%**
Less: Vacancy & Collection Loss @	8.0%		$2.03		$45,362	8.7%
Effective Gross Income (EGI)			**$23.34**		**$521,657**	**100.0%**
Reimbursable Expenses						
Real Estate Taxes			$1.31		$29,185	5.6%
Property Insurance			$0.41		$9,162	1.8%
Management Fees			$0.49		$10,955	4.2%
Common Area Maintenance			$2.55		$56,985	10.9%
Total Reimbursable Expenses			**$4.76**		**$106,287**	**20.4%**
Non-Reimbursable Expenses						
Real Estate Taxes			$1.31		$29,185	5.6%
Property Insurance			$0.41		$9,162	1.8%
Management Fees			$0.49		$10,955	4.2%
Common Area Maintenance			$2.55		$56,985	10.9%
Landlord Costs			$1.75		$39,107	7.5%
Total Non-Reimbursable Expenses			**$6.51**		**$145,394**	**27.9%**
Less: Total Operating Expenses			**$11.26**		**$251,681**	**48.2%**
Stabilized Net Operating Income (NOI)			**$12.08**		**$269,976**	**51.8%**

Direct Capitalization Analysis

The Income Capitalization Approach to value is based on the premise that a direct relationship exists between the value of a property and the stabilized level of net income it is capable of generating. Direct capitalization is the process of converting a stabilized income stream into an estimate of value and is obtained by applying an overall capitalization rate (OAR) to the net operating income (NOI) before debt service. The direct capitalization rate is the ratio between a single year's net operating income expectancy and the total property price or value.

Overall Capitalization Rate (OAR)

Market comparables, investor surveys, the band of investment technique, and the debt coverage ratio technique were used to estimate an appropriate overall capitalization rate for the subject property.

Market Comparables

The overall capitalization rates exhibited by comparable sales are presented in the following table:

Market Overall Capitalization Rate (OAR) Comparables

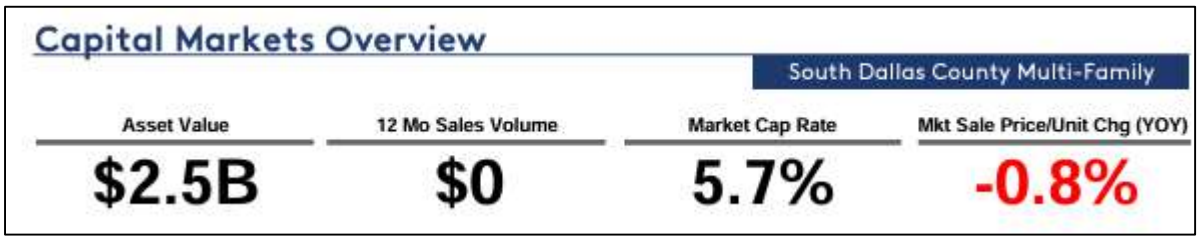
Comp. No.	Date of Sale	Property Name	Location		Year Built	Occupancy at Sale	Stabilized Occupancy	Stabilized OAR
1	September-23	Former Pollo Regio	517 North Hampton Road	Desoto, Texas	1975	0.0%	100.0%	7.28%
2	February-23	Windsor Terrace Shopping Center	4801-4901 Little Road	Arlington, Texas	1986	70.0%	95.0%	7.55%
3	November-22	Simpson Stuart Retail	3540 Simpson Stuart Road	Dallas, Texas	1973	100.0%	95.0%	10.66%
4	January-22	Miller Road Strip Center	1501 W. Miller Road	Garland, Texas	2014	100.0%	92.0%	5.70%
5	January-22	Belt Line Retail	1370 West Belt Line Road	Lancaster, Texas	2015	100.0%	95.0%	5.76%
6	June-24	Reiger Avenue Apartments	5526 Reiger Avenue	Dallas, Texas	1960	100.0%	95.0%	8.34%
7	January-24	Marvin Loving Apartments	6002 Marvin Loving	Garland, Texas	1982		92.0%	5.03%
8	November-23	Roberts St Apartments	1814 W E Roberts St	Grand Prairie, Texas	1963	83.0%	95.0%	5.24%
9	October-23	Edgefield Ave Apartments	100 N Edgefield Avenue	Dallas, Texas	1971	100.0%	95.0%	5.07%
10	January-23	The Carroll Ann Apartments	316 N Carroll Ave	Dallas, Texas	1962	98.0%	95.0%	4.44%
							Mean	6.51%

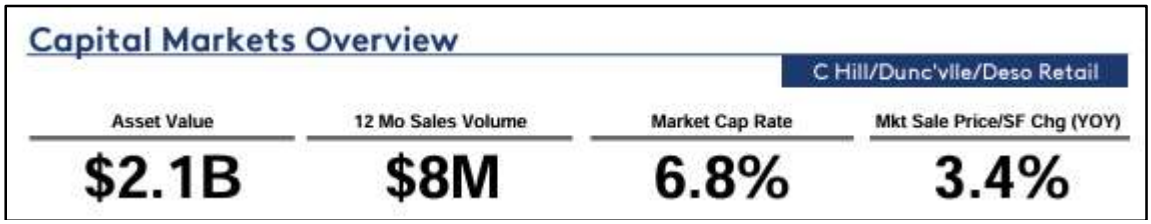
Investor Surveys

The overall capitalization rates published by investor surveys are presented in the following table:

Investor Surveys - Overall Capitalization Rates

Survey	Date	Rate Range			Average
PwC - National Apartment Market	3Q24	4.00%	to	7.50%	5.38%
PwC - National Strip Shopping Center Market	3Q24	5.50%	to	10.00%	7.30%
RERC - National Apartment Market	2Q24	4.80%	to	7.00%	5.30%
RERC - National Retail Market - Neighborhood/Community	2Q24	6.00%	to	8.00%	6.70%
	Average	**5.08%**	**to**	**8.13%**	**6.17%**





Band of Investment Technique

The band of investment technique assumptions and calculations are presented in the following table:

Band of Investment Technique

Criteria		Appraiser Assumptions	Survey	RealtyRates Range			Average
Mortgage Interest Rate	=	7.00%	Realty Rates - Apts -	5.05%	to	9.35%	7.30%
Mortgage Term	=	30 years	Garden/Suburban TH	15 yrs	to	40 yrs	26 yrs
Mortgage Ratio (M)	=	65.0%	3Q24	55%	to	90%	73%
Mortgage Constant (R_M)	=	0.07984					
Equity Dividend Rate (R_E)	=	7.00%		4.70%	to	12.33%	8.14%

Mortgage (LTV) Ratio (M)		Mortgage Constant (R_M)		Mortgage Component
65.0%	x	0.07984	=	0.05190
1 - Mortgage Ratio (1-M)		Equity Dividend Rate (R_E)		Equity Component
35.0%	x	7.00%	=	0.02450
		Overall Rate (R_O)	**=**	***7.64%***

Debt Coverage Ratio Technique

The debt coverage ratio technique assumptions and calculations are presented in the following table:

Debt Coverage Ratio

Criteria		Appraiser Assumptions	Survey	RealtyRates Range			Average
Debt Coverage Ratio (DCR)		1.20	Realty Rates - Apts -	1	to	1.86	1.43
Mortgage Ratio (M)	x	0.65	Garden/Suburban TH	55%	to	90%	73%
Mortgage Constant (RM)	x	0.07984					
Overall Rate (R_O)		**6.23%**					

The overall capitalization rate indications are as follows:

- Stabilized Market Range: 5.00% to 7.50%
- Investors Survey Range: 5.50% to 7.25%
- Band of Investment: 7.64%
- Debt Coverage Ratio: 6.23%

Overall Capitalization Rate Conclusion

Based on this analysis, an overall capitalization rate of 6.00%, which is near the middle of the presented data range, was estimated.

Direct Capitalization Conclusion

The direct capitalization technique calculation and conclusion is presented in the following table:

Direct Capitalization Technique Value Indication		
Stabilized Net Operating Income (NOI)		$269,976
Divided by Overall Capitalization Rate	÷	6.00%
As Is Leased Fee Market Value Indication		**$4,500,000**

Reconciliation

Summary of Value Indications

The indicated values from the approaches used and our concluded market values for the subject property are summarized in the following table.

Value Indications

Approach to Value	As Is
Cost	Not Developed
Sales Comparison	$4,900,000
Effective Gross Income Multiplier	$4,690,000
Income Capitalization	
Direct Capitalization	$4,500,000

Value Conclusion

Component	As Is
Value Type	Market Value
Real Property Interest	Leased Fee
Effective Date of Value	October 28, 2024
Value Conclusion	**$4,700,000**
	$210.32 PSF

To reach a final opinion of value, the reliability and relevance of each value indication was considered based upon the quality of the data and applicability of the assumptions underlying each approach. Given the availability and reliability of data within the Income Approach, this approach was given primary weight in reconciling to the final value conclusions. Furthermore, retail properties such as the subject property are typically purchased by investors, who primarily rely upon the methods employed by the Income Approach.

The findings and conclusions are further contingent upon the following extraordinary assumptions and/or hypothetical conditions, the use of which might have affected the assignment results:

Extraordinary Assumptions:

- None pertaining to this assignment

Hypothetical Conditions:

- None pertaining to this assignment

Exposure Time and Marketing Period

Investor Surveys - Marketing Time

Survey	Date	Range (Mos.)			Average
PwC - National Apartment Market	3Q24	3.0	to	15.0	6.8
PwC - National Strip Shopping Center Market	3Q24	2.0	to	15.0	7.9
RERC - National Apartment Market	2Q24	---	to	---	4.6
RERC - National Retail Market - Neighborhood/Community	2Q24	---	to	---	7.5
	Average	**2.5**	**to**	**15.0**	**6.7**

Based on statistical information about days on market, escrow length, and marketing times gathered through national investor surveys, sales verification, and interviews of market participants, marketing and exposure time estimates of 12 months and 12 months, respectively, are considered reasonable and appropriate for the subject property.

National Quality Control

Valbridge's top priority is delivering quality appraisal reports to our clients. Each Valbridge office is managed by one or more directors with the MAI designation, the most prestigious designation in the appraisal profession. These directors have the responsibility to uphold the highest ethics and standards for the profession. Quality control assessment is an ongoing priority at Valbridge and consists of reading the report, checking calculations, and providing feedback on quality and consistency.

Valbridge encourages and respects all client opinions, and all feedback is critical for our ongoing efforts to improve client servicing. Please contact the National Quality Control Director below with any feedback, questions, or comments.

Tye Neilson, MAI, SRA, MRICS, Esq.
Senior Managing Director
832.916.4608
tneilson@valbridge.com

General Assumptions and Limiting Conditions

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

1. The legal description – if furnished to us – is assumed to be correct.
2. No responsibility is assumed for legal matters, questions of survey or title, soil or subsoil conditions, engineering, availability or capacity of utilities, or other similar technical matters. The appraisal does not constitute a survey of the property appraised. All existing liens and encumbrances have been disregarded and the property is appraised as though free and clear, under responsible ownership and competent management unless otherwise noted.
3. Unless otherwise noted, the appraisal will value the property as though free of contamination. Valbridge Property Advisors | Dallas will conduct no hazardous materials or contamination inspection of any kind. It is recommended that the client hire an expert if the presence of hazardous materials or contamination poses any concern.
4. The stamps and/or consideration placed on deeds used to indicate sales are in correct relationship to the actual dollar amount of the transaction.
5. Unless otherwise noted, it is assumed there are no encroachments, zoning violations or restrictions existing in the subject property.
6. The appraiser is not required to give testimony or attendance in court by reason of this appraisal, unless previous arrangements have been made.
7. Unless expressly specified in the engagement letter, the fee for this appraisal does not include the attendance or giving of testimony by Appraiser at any court, regulatory or other proceedings, or any conferences or other work in preparation for such proceeding. If any partner or employee of Valbridge Property Advisors | Dallas is asked or required to appear and/or testify at any deposition, trial, or other proceeding about the preparation, conclusions or any other aspect of this assignment, client shall compensate Appraiser for the time spent by the partner or employee in appearing and/or testifying and in preparing to testify according to the Appraiser's then current hourly rate plus reimbursement of expenses.
8. The values for land and/or improvements, as contained in this report, are constituent parts of the total value reported and neither is (or are) to be used in making a summation appraisal of a combination of values created by another appraiser. Either is invalidated if so used.
9. The dates of value to which the opinions expressed in this report apply are set forth in this report. We assume no responsibility for economic or physical factors occurring at some point at a later date, which may affect the opinions stated herein. The forecasts, projections, or operating estimates contained herein are based on current market conditions and anticipated short-term supply and demand factors and are subject to change with future conditions. Appraiser is not responsible for determining whether the date of value requested by Client is appropriate for Client's intended use.
10. The sketches, maps, plats and exhibits in this report are included to assist the reader in visualizing the property. The appraiser has made no survey of the property and assumed no responsibility in connection with such matters.
11. The information, estimates and opinions, which were obtained from sources outside of this office, are considered reliable. However, no liability for them can be assumed by the appraiser.

12. Possession of this report, or a copy thereof, does not carry with it the right of publication. Neither all, nor any part of the content of the report, or copy thereof (including conclusions as to property value, the identity of the appraisers, professional designations, reference to any professional appraisal organization or the firm with which the appraisers are connected), shall be disseminated to the public through advertising, public relations, news, sales, or other media without prior written consent and approval.
13. No claim is intended to be expressed for matters of expertise that would require specialized investigation or knowledge beyond that ordinarily employed by real estate appraisers. We claim no expertise in areas such as, but not limited to, legal, survey, structural, environmental, pest control, mechanical, etc.
14. This appraisal was prepared for the sole and exclusive use of the client for the function outlined herein. Any party who is not the client or intended user identified in the appraisal or engagement letter is not entitled to rely upon the contents of the appraisal without express written consent of Valbridge Property Advisors | Dallas and Client. The Client shall not include partners, affiliates, or relatives of the party addressed herein. The appraiser assumes no obligation, liability or accountability to any third party.
15. Distribution of this report is at the sole discretion of the client, but third-parties not listed as an intended user on the face of the appraisal or the engagement letter may not rely upon the contents of the appraisal. In no event shall client give a third-party a partial copy of the appraisal report. We will make no distribution of the report without the specific direction of the client.
16. This appraisal shall be used only for the function outlined herein, unless expressly authorized by Valbridge Property Advisors | Dallas.
17. This appraisal shall be considered in its entirety. No part thereof shall be used separately or out of context.
18. Unless otherwise noted in the body of this report, this appraisal assumes that the subject property does not fall within the areas where mandatory flood insurance is effective. Unless otherwise noted, we have not completed nor have we contracted to have completed an investigation to identify and/or quantify the presence of non-tidal wetland conditions on the subject property. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
19. The flood maps are not site specific. We are not qualified to confirm the location of the subject property in relation to flood hazard areas based on the FEMA Flood Insurance Rate Maps or other surveying techniques. It is recommended that the client obtain a confirmation of the subject property's flood zone classification from a licensed surveyor.
20. If the appraisal is for mortgage loan purposes 1) we assume satisfactory completion of improvements if construction is not complete, 2) no consideration has been given for rent loss during rent-up unless noted in the body of this report, and 3) occupancy at levels consistent with our "Income and Expense Projection" are anticipated.
21. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures which would render it more or less valuable. No responsibility is assumed for such conditions or for engineering which may be required to discover them.

22. Our inspection included an observation of the land and improvements thereon only. It was not possible to observe conditions beneath the soil or hidden structural components within the improvements. We inspected the buildings involved, and reported damage (if any) by termites, dry rot, wet rot, or other infestations as a matter of information, and no guarantee of the amount or degree of damage (if any) is implied. Condition of heating, cooling, ventilation, electrical and plumbing equipment is considered to be commensurate with the condition of the balance of the improvements unless otherwise stated. Should the client have concerns in these areas, it is the client's responsibility to order the appropriate inspections. The appraiser does not have the skill or expertise to make such inspections and assumes no responsibility for these items.
23. This appraisal does not guarantee compliance with building code and life safety code requirements of the local jurisdiction. It is assumed that all required licenses, consents, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value conclusion contained in this report is based unless specifically stated to the contrary.
24. When possible, we have relied upon building measurements provided by the client, owner, or associated agents of these parties. In the absence of a detailed rent roll, reliable public records, or "as-built" plans provided to us, we have relied upon our own measurements of the subject improvements. We follow typical appraisal industry methods; however, we recognize that some factors may limit our ability to obtain accurate measurements including, but not limited to, property access on the day of inspection, basements, fenced/gated areas, grade elevations, greenery/shrubbery, uneven surfaces, multiple story structures, obtuse or acute wall angles, immobile obstructions, etc. Professional building area measurements of the quality, level of detail, or accuracy of professional measurement services are beyond the scope of this appraisal assignment.
25. We have attempted to reconcile sources of data discovered or provided during the appraisal process, including assessment department data. Ultimately, the measurements that are deemed by us to be the most accurate and/or reliable are used within this report. While the measurements and any accompanying sketches are considered to be reasonably accurate and reliable, we cannot guarantee their accuracy. Should the client desire more precise measurement, they are urged to retain the measurement services of a qualified professional (space planner, architect or building engineer) as an alternative source. If this alternative measurement source reflects or reveals substantial differences with the measurements used within the report, upon request of the client, the appraiser will submit a revised report for an additional fee.
26. In the absence of being provided with a detailed land survey, we have used assessment department data to ascertain the physical dimensions and acreage of the property. Should a survey prove this information to be inaccurate, upon request of the client, the appraiser will submit a revised report for an additional fee.
27. If only preliminary plans and specifications were available for use in the preparation of this appraisal, and a review of the final plans and specifications reveals substantial differences upon request of the client the appraiser will submit a revised report for an additional fee.

28. Unless otherwise stated in this report, the value conclusion is predicated on the assumption that the property is free of contamination, environmental impairment or hazardous materials. Unless otherwise stated, the existence of hazardous material was not observed by the appraiser and the appraiser has no knowledge of the existence of such materials on or in the property. The appraiser, however, is not qualified to detect such substances. The presence of substances such as asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials may affect the value of the property. No responsibility is assumed for any such conditions, or for any expertise or engineering knowledge required for discovery. The client is urged to retain an expert in this field, if desired.
29. The Americans with Disabilities Act ("ADA") became effective January 26, 1992. We have not made a specific compliance survey of the property to determine if it is in conformity with the various requirements of the ADA. It is possible that a compliance survey of the property, together with an analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the Act. If so, this could have a negative effect on the value of the property. Since we have no direct evidence relating to this issue, we did not consider possible noncompliance with the requirements of ADA in developing an opinion of value.
30. This appraisal applies to the land and building improvements only. The value of trade fixtures, furnishings, and other equipment, or subsurface rights (minerals, gas, and oil) were not considered in this appraisal unless specifically stated to the contrary.
31. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated, unless specifically stated to the contrary.
32. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute prediction of future operating results. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance.
33. Any estimate of insurable value, if included within the scope of work and presented herein, is based upon figures developed consistent with industry practices. However, actual local and regional construction costs may vary significantly from our estimate and individual insurance policies and underwriters have varied specifications, exclusions, and non-insurable items. As such, we strongly recommend that the Client obtain estimates from professionals experienced in establishing insurance coverage. This analysis should not be relied upon to determine insurance coverage and we make no warranties regarding the accuracy of this estimate.
34. The data gathered in the course of this assignment (except data furnished by the Client) shall remain the property of the Appraiser. The appraiser will not violate the confidential nature of the appraiser-client relationship by improperly disclosing any confidential information furnished to the appraiser. Notwithstanding the foregoing, the Appraiser is authorized by the client to disclose all or any portion of the appraisal and related appraisal data to appropriate representatives of the Appraisal Institute if such disclosure is required to enable the appraiser to comply with the Bylaws and Regulations of such Institute now or hereafter in effect.

35. You and Valbridge Property Advisors | Dallas both agree that any dispute over matters in excess of $5,000 will be submitted for resolution by arbitration. This includes fee disputes and any claim of malpractice. The arbitrator shall be mutually selected. If Valbridge Property Advisors | Dallas and the client cannot agree on the arbitrator, the presiding head of the Local County Mediation & Arbitration panel shall select the arbitrator. Such arbitration shall be binding and final. In agreeing to arbitration, we both acknowledge that, by agreeing to binding arbitration, each of us is giving up the right to have the dispute decided in a court of law before a judge or jury. In the event that the client, or any other party, makes a claim against Valbridge Property Advisors | Dallas or any of its employees in connections with or in any way relating to this assignment, the maximum damages recoverable by such claimant shall be the amount actually received by Valbridge Property Advisors | Dallas for this assignment, and under no circumstances shall any claim for consequential damages be made.
36. Valbridge Property Advisors | Dallas shall have no obligation, liability, or accountability to any third party. Any party who is not the "client" or intended user identified on the face of the appraisal or in the engagement letter is not entitled to rely upon the contents of the appraisal without the express written consent of Valbridge Property Advisors | Dallas. "Client" shall not include partners, affiliates, or relatives of the party named in the engagement letter. Client shall hold Valbridge Property Advisors | Dallas and its employees harmless in the event of any lawsuit brought by any third party, lender, partner, or part-owner in any form of ownership or any other party as a result of this assignment. The client also agrees that in case of lawsuit arising from or in any way involving these appraisal services, client will hold Valbridge Property Advisors | Dallas harmless from and against any liability, loss, cost, or expense incurred or suffered by Valbridge Property Advisors | Dallas in such action, regardless of its outcome.
37. The Valbridge Property Advisors office responsible for the preparation of this report is independently owned and operated by VPA Houston and Dallas, Inc.. Neither Valbridge Property Advisors, Inc., nor any of its affiliates has been engaged to provide this report. Valbridge Property Advisors, Inc. does not provide valuation services, and has taken no part in the preparation of this report.
38. If any claim is filed against any of Valbridge Property Advisors, Inc., a Florida Corporation, its affiliates, officers or employees, or the firm providing this report, in connection with, or in any way arising out of, or relating to, this report, or the engagement of the firm providing this report, then (1) under no circumstances shall such claimant be entitled to consequential, special or other damages, except only for direct compensatory damages, and (2) the maximum amount of such compensatory damages recoverable by such claimant shall be the amount actually received by the firm engaged to provide this report.
39. This report and any associated work files may be subject to evaluation by Valbridge Property Advisors, Inc., or its affiliates, for quality control purposes.
40. Acceptance and/or use of this appraisal report constitutes acceptance of the foregoing general assumptions and limiting conditions.

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Certification – Jason Wagner, MAI

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Jason Wagner has personally inspected the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Jason Wagner, MAI
Senior Appraiser
Texas License #TX-1380458-G
jwagner@valbridge.com

Certification – Michael Divin, MAI

I certify that, to the best of my knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. The undersigned has not performed 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.
5. I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. My engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. My analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
9. Michael Divin did not personally inspect the subject property.
10. No one provided significant real property appraisal assistance to the person signing this certification, unless otherwise noted.
11. The reported analyses, opinions and conclusions were developed, and this report has been prepared, in conformity with the requirements of the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
12. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
13. As of the date of this report, the undersigned has completed the continuing education program for Designated Members of the Appraisal Institute.

Mike Divin, MAI
Senior Managing Director
Texas License #TX-1320831-G
mdivin@valbridge.com

Addenda

Additional Subject Photographs

Glossary

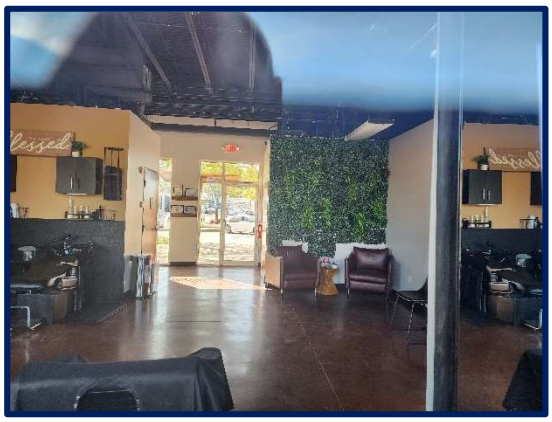
Qualifications

- Jason Wagner, Appraiser
- Michael Divin, Senior Managing Director

Information on Valbridge Property Advisors

Office Locations

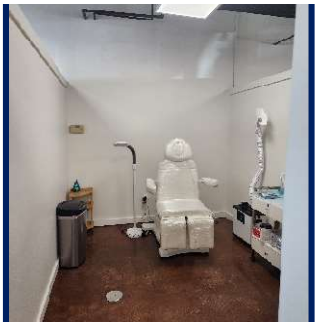
Additional Subject Photographs



Subject property interior

Subject property interior

Subject property exterior

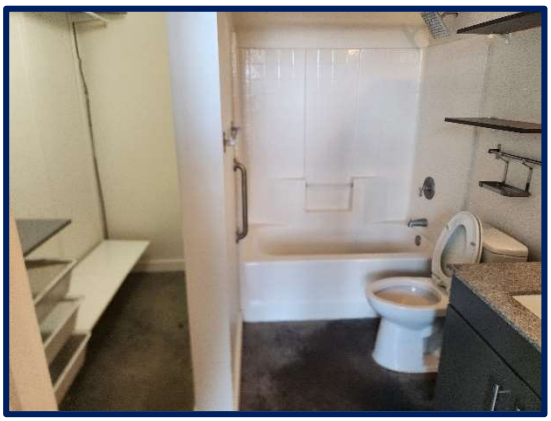


Subject property interior

Subject property interior

Subject property exterior

Subject property interior



Subject property restroom

Subject property interior

Subject property stairs

Subject property interior

Subject property interior

Glossary

Definitions are taken from The Dictionary of Real Estate Appraisal, 7th Edition (Dictionary), the Uniform Standards of Professional Appraisal Practice (USPAP), and Building Owners and Managers Association International (BOMA).

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)

Amortization

The process of retiring a debt or recovering a capital investment, typically through scheduled, systematic repayment of the principal; a program of periodic contributions to a sinking fund or debt retirement fund. (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. (Interagency Appraisal and Evaluation Guidelines) Note that the use of the "as is" phrase is specific to appraisal regulations pursuant to FIRREA applying to appraisals prepared for regulated lenders in the United States. The concept of an "as is" value is not included in the Standards of Valuation Practice of the Appraisal Institute, Uniform Standards of Professional Appraisal Practice, or International Valuation Standards. (Dictionary)

Base Rent

The minimum rent stipulated in a lease. (Dictionary)

Base Year

The year on which escalation clauses in a lease are based. (Dictionary)

Building Common Area

In office buildings, the areas of the building that provide services to building tenants but that are not included in the office area or store area of any specific tenant. These areas may include, but shall not be limited to, main and auxiliary lobbies, atrium spaces at the level of the finished floor, concierge areas or security desks, conference rooms, lounges or vending areas, food service facilities, health or fitness centers, daycare facilities, locker or shower facilities, mail rooms, fire control rooms, fully enclosed courtyards outside the exterior walls, and building core and service areas such as fully enclosed mechanical or equipment rooms. Specifically excluded from building common area are floor common areas, parking space, portions of loading docks outside the building line, and major vertical penetrations. (BOMA)

Building Rentable Area

The sum of all floor rentable areas. Floor rentable area is the result of subtracting from the gross measured area of a floor the major vertical penetrations on that same floor. It is generally fixed for the life of the building and is rarely affected by changes in corridor size or configuration. (BOMA)

Bulk Value

The value of multiple units, subdivided plots, or properties in a portfolio as though sold together in a single transaction. (Dictionary)

Certificate of Occupancy (COO)

A formal written acknowledgment by an appropriate unit of local government that a new construction or renovation project is at the stage where it meets applicable health and safety codes and is ready for commercial or residential occupancy. (Dictionary)

Common Area Maintenance (CAM)

The expense of operating and maintaining common areas; may or may not include management charges and usually does not include capital expenditures on tenant improvements or other improvements to the property. (Dictionary)

The amount of money charged to tenants for their shares of maintaining a [shopping] center's common area. The charge that a tenant pays for shared services and facilities such as electricity, security, and maintenance of parking lots. Items charged to common area maintenance may include cleaning services, parking lot sweeping and maintenance, snow removal, security, [amenities,] and upkeep. (ICSC – International Council of Shopping Centers, 4th Ed.)

Condominium

An attached, detached, or stacked unit within or attached to a structure with common areas that are held as tenants in common (an undivided interest) with other owners in the project. The units can be residential, commercial, industrial, or parking spaces or boat docks. These units are commonly defined by state laws in their locations. Because units can be stacked on top of other units, these units can be defined both vertically and horizontally. (Dictionary)

Conservation Easement

An interest in real estate restricting future land use to preservation, conservation, wildlife habitat, or some combination of those uses. A conservation easement

may permit farming, timber harvesting, or other uses of a rural nature as well as some types of conservation-oriented development to continue, subject to the easement. (Dictionary)

Contributory Value

A type of value that reflects the amount a property or component of a property contributes to the value of another asset or to the property as a whole.

The change in the value of a property as a whole, whether positive or negative, resulting from the addition or deletion of a property component. Also called deprival value in some countries. (Dictionary)

Debt Coverage Ratio (DCR)

The ratio of net operating income to annual debt service (DCR = NOI÷I_m), 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)*. A larger *DCR* typically indicates a greater ability for a property to withstand a reduction of income, providing an improved safety margin for a lender. (Dictionary)

Deed Restriction

A provision written into a deed that limits the use of land. Deed restrictions usually remain in effect when title passes to subsequent owners. (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 value of the improvement on the same date.

In accounting, an allocation of the original cost of an asset, amortizing the cost over the asset's life; calculated using a variety of standard techniques. (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 to be 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; and
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)

Double Net (Net Net) Lease

An alternative term for a type of net lease. In some markets, a net net lease is defined as a lease in which the tenant is responsible to pay both property taxes and premiums for insuring the building(s). (Valbridge)

(The market definition of a double net lease varies depending on the market)

Easement

The right to use another's land for a stated purpose. (Dictionary)

EIFS

Exterior Insulation Finishing System. This is a type of exterior wall cladding system. Sometimes referred to as dry-vit.

Effective Date

1. The date on which the appraisal opinion applies. (SVP)
2. The date to which an appraiser's analyses, opinions, and conclusions apply; also referred to as date of value. (USPAP, 2020-2021 ed.)
3. The date that a lease goes into effect. (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 Rent

Total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions; the rent that is effectively paid by a tenant net of financial concessions provided by a landlord. (TIs). (Dictionary)

EPDM

Ethylene Propylene Diene Monomer Rubber. A type of synthetic rubber typically used for roof coverings.

Escalation Clause
A clause in an agreement that provides for the adjustment of a price or rent based on some event or index. e.g., a provision to increase rent if operating expenses increase; also called *escalator clause, expense recovery clause or stop clause*. (Dictionary)

Estoppel Certificate
A signed statement by a party (such as a tenant or a mortgagee) certifying, for another's benefit, that certain facts are correct, such as that a lease exists, that there are no defaults, and that rent is paid to a certain date. (Black's) In real estate, a buyer of rental property typically requests estoppel certificates from existing tenants. Sometimes referred to as an *estoppel letter*. (Dictionary)

Excess Land
Land that is not needed to serve or support the existing use. 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 landlord (lessor) and may reflect unusual management, unknowledgeable or unusually motivated parties, a lease execution in an earlier, stronger rental market, or an agreement of the parties. (Dictionary)

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

Exposure Time
1. The time a property remains on the market.
2. 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, 2020-2021 ed.)

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.

Comment: 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. (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 Common Area
In an office building, the areas on a floor such as washrooms, janitorial closets, electrical rooms, telephone rooms, mechanical rooms, elevator lobbies, and public corridors which are available primarily for the use of tenants on that floor. In essence, floor common area represents all of the area on the floor that is common to that respective floor with the exception of those areas that penetrate through the floor, such as the elevator shaft and stairwell. The significant point to be made is that floor common area is not part of the tenant's usable area. (BOMA)

Full Service (Gross) Lease
A lease in which the landlord receives stipulated rent and is obligated to pay all of the property's operating and fixed expenses; also called a *full service lease*. (Dictionary)

Furniture, Fixtures, and Equipment (FF&E)
Business trade fixtures and personal property, exclusive of inventory. (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)
1. Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved.
2. Gross leasable area plus all common areas.
3. For residential space, the total area of all floor levels measured from the exterior of the walls and including the superstructure and substructure basement; typically does not include garage space. (Dictionary)

Gross Measured Area
The total area of a building enclosed by the dominant portion (the portion of the inside finished surface of the permanent outer building wall which is 50 percent or more of the vertical floor-to-ceiling dimension, at the given point being measured as one moves horizontally along the wall), excluding parking areas and loading

docks (or portions of same) outside the building line. It is generally not used for leasing purposes and is calculated on a floor by floor basis. (BOMA)

Gross Up Method

A method of calculating variable operating expenses in income-producing properties when less than 100% occupancy is assumed. Expenses reimbursed based on the amount of occupied space, rather than on the total building area, are described as "grossed up." (Dictionary)

Gross Sellout Value (Sum of the Retail Values)

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 though sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sale prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values, aggregate retail selling price or sum of the retail values*. (Dictionary)

Ground Lease

A lease that grants the right to use and occupy land. Improvements made by the ground lessee typically revert to the ground lessor at the end of the lease term. (Dictionary)

Ground Rent

The rent paid for the right to use and occupy land according to the terms of a ground lease; the portion of the total rent allocated to the underlying land. (Dictionary)

HVAC

Heating, ventilation, air conditioning (HVAC) system. A unit that regulates the temperature and distribution of heat and fresh air throughout a building. (Dictionary)

Highest and Best Use

1. 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.
2. 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 of for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (IVS)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions) (Dictionary)

Hypothetical Condition

1. A condition that is presumed to be true when it is known to be false. (SVP)
2. 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.

Comment: 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)

Insurable Value (Replacement Cost for Insurance Purposes)

The estimated cost, 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 new property (i.e., depreciation is not deducted). (Dictionary)

Investment Value

1. 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)
2. The value of an asset to the owner or a prospective owner given individual investment or operational objectives (may also be known as worth). (IVS)

Just Compensation

In condemnation, the amount of loss for which a property owner is compensated when his or her property is taken. Just compensation should put the owner in as good a position pecuniarily as he or she would have been if the property had not been taken. (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 reversionary right when the lease expires. (Dictionary)

Leasehold Interest (Leasehold Estate)

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)

See also Positive Leasehold and Negative Leasehold.

Lessee (Tenant)

One who has the right to occupancy and use of the property of another for a period of time according to a lease agreement. (Dictionary)

Lessor (Landlord)

One who conveys the rights of occupancy and use to others under a lease agreement. (Dictionary)

Liquidation Value

The most probable price that a specified interest in 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. (Dictionary)

Loan to Value Ratio (LTV)

The ratio between a mortgage loan and the value of the property pledged as security, usually expressed as a percentage. (Dictionary)

Major Vertical Penetrations

Stairs, elevator shafts, flues, pipe shafts, vertical ducts, and the like, and their enclosing walls. Atria, lightwells and similar penetrations above the finished floor are included in this definition. Not included, however, are vertical penetrations built for the private use of a tenant occupying office areas on more than one floor. Structural columns, openings for vertical electric cable or telephone distribution, and openings for plumbing lines are not considered to be major vertical penetrations. (BOMA)

Market Rent

The most probable rent that a property should bring in a competitive and open market under all the conditions requisite to a fair lease transaction, the lessee and the lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. Implicit in this definition is the execution of a lease as of a specified date under conditions whereby:

1. Lessee and lessor are typically motivated;
2. Both parties are well informed or well advised, and acting in what they consider their best interests;
3. Payment is made in terms of cash or in terms of financial arrangements comparable thereto; and
4. The rent reflects specified terms and conditions, such as permitted uses, use restrictions, expense obligations, duration, concessions, rental adjustments and revaluations, renewal and purchase options, and tenant improvements (TIs). (Appraisal Institute)

Market Value

The following definition of market value is used by agencies that regulate federally insured financial institutions in the United States: The most probable price that 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 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. (Dictionary; 12 C.F.R. Part 34.42(g); 55 Federal Register 34696, August 24, 1990, as amended at 57 Federal Register 12202, April 9, 1992; 59 Federal Register 29499, June 7, 1994)

Marketing Time
An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal. (Advisory Opinion 7 of the Appraisal Standards Board of the Appraisal Foundation)

Master Lease
1. A lease in which a part or the entire property is leased to a single entity (the master lessee) in return for a stipulated rent. The master lessee then subleases the property to multiple tenants.
2. The first lease in a sandwich lease. (Dictionary)

Modified Gross Lease
A lease in which the landlord receives stipulated rent and is obligated to pay some, but not all, of the property's operating and fixed expenses. Since assignment of expenses varies among modified gross leases, expense responsibility must always be specified. In some markets, a modified gross lease may be called a *double net lease, net net lease, partial net lease, or semi-gross le*ase. (Dictionary)

Negative Leasehold
A lease situation in which the market rent is less than the contract rent. (Dictionary)

Operating Expense Ratio
The ratio of total operating expenses to effective gross income (*TOE/EGI*); the complement of the net income ratio, i.e., *OER = 1 – NIR* (Dictionary)

Option
A legal contract, typically purchased for a stated consideration, that permits but does not require the holder of the option (known as the *optionee*) to buy, sell, or lease real estate for a stipulated period of time in accordance with specified terms; a unilateral right to exercise a privilege. (Dictionary)

Partial Interest
Divided or undivided rights in real estate that represent less than the whole, i.e., a fractional interest such as a tenancy in common or easement. (Dictionary)

Pass Through
A tenant's portion of operating expenses that may be composed of common area maintenance (CAM), real property taxes, property insurance, and any other expenses determined in the lease agreement to be paid by the tenant. (Dictionary)

Percentage Lease
A lease in which the rent or some portion of the rent represents a specified percentage of the volume of business, productivity, or use achieved by the tenant. (Dictionary)

Positive Leasehold
A lease situation in which the market rent is greater than the contract rent. (Dictionary)

Potential Gross Income (PGI)
The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. (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 being 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 yet achieved sellout or a stabilized level of long-term occupancy. (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 of 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)

Sandwich Leasehold Estate
The interest held by the sandwich leaseholder when the property is subleased to another party; a type of leasehold estate. (Dictionary)

Sublease
An agreement in which the lessee in a prior lease conveys the right of use and occupancy of a property to another, the sublessee, for a specific period of time, which may or may not be coterminous with the underlying lease term. (Dictionary)

Subordination
A contractual arrangement in which a party with a claim to certain assets agrees to make that claim junior, or subordinate, to the claims of another party. (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)

TPO
Thermoplastic polyolefin, a resilient synthetic roof covering.

Triple Net (Net Net 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 lease, net net net lease, or fully net lease*. (Dictionary)

(The market definition of a triple net lease varies; in some cases tenants pay for items such as roof repairs, parking lot repairs, and other similar items.)

Usable Area
The measured area of an office area, store area, or building common area on a floor. The total of all the usable areas for a floor shall equal floor usable area of that same floor. (BOMA)

Value-in-Use
1. The amount determined by discounting the future cash flows (including the ultimate proceeds of disposal) expected to be derived from the use of an asset at an appropriate rate that allows for the risk of the activities concerned. (FASB Accounting Standards Codification, Master Glossary)
2. Formerly used in valuation practice as a synonym for *contributory value* or *use value*. (Dictionary)

VTAB (Value of the Total Assets of a Business)
The total amount that the real property, tangible personal property, and intangible property assets of a business would sell for in an asset-based transaction. (Dictionary)

Qualifications

Qualifications of Jason Wagner, MAI

Senior Appraiser

Valbridge Property Advisors

Independent Valuations for a Variable World

State Certifications

State of Texas
TX 1380458 G

Education

University of Texas at Arlington – Finance Concentration

Texas A&M University – Master of Real Estate/Land Economics & Real Estate

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Appraisal Institute – Designated Member

Appraisal Institute & Related Courses:

2022-2023 National Uniform Standards of Professional Appraisal Practice
Business Practice and Ethics
Commercial land valuation
Income Approach Case Studies for Commercial Appraisal
Appraisal of Fast Food Facilities
Cost Approach
Appraisal of Self Storage Facilities
Site Valuation and Cost Approach
Subdivisions Valuation – reference
Market Analysis for Real Estate – reference
Valuing Small Businesses & Professional Practices - reference

Experience:

Senior Appraiser
Valbridge Property Advisors (March 2015-Present)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings; office buildings; industrial buildings; special purpose properties including ranches; and vacant industrial, commercial and residential land. Assignments have been concentrated in Texas; Houston, Dallas/Fort Worth, and Rural Cities.

Appraiser
Integra Realty Resources – Dallas (June 2012 – March 2015)

Appraisal of various valuation assignments including: multifamily, retail, office, industrial, and special purpose properties. Assignments have been concentrated throughout the state of Texas.

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **JASON WAGNER**
License #: **TX 1380458 G** License Expires: **07/31/2025**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

Qualifications of Michael G. Divin, MAI

Senior Managing Director

Valbridge Property Advisors

Independent Valuations for a Variable World

State Certifications

State of Texas

Education

Sam Houston State University
BBA - 1983

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Membership/Affiliations:

Member: Appraisal Institute – MAI Designation

Appraisal Institute & Related Courses:

Course 1A1 –	Real Estate Appraisal Principles
Course 1A2 –	Basic Valuation Procedures
Course 400 –	General Market Analysis & Highest and Best Use
Course 420 –	Business Practices & Ethics
Course 1BA/B –	Capitalization Theory & Techniques Parts A & B
Course 530 –	Advanced Sales Comparison & Cost Approaches
Course 540 –	Report Writing and Valuation Analysis
Course 550 –	Advanced Applications
Course 700 –	The Appraiser as an Expert Witness: Preparation and Testimony
Course 733 -	Fundamentals of Separating Real Property, Personal Property, and Intangible Business Assets
USPAP	Uniform Standards of Professional Appraisal Practice

Experience:

Senior Managing Director
Valbridge Property Advisors (2013-Present)

Partner
The Gerald A. Teel Company, Inc. (8/1997- 3/2013)

Managing Director
Blosser Appraisal, A Division of The Gerald A. Teel Company, Inc. - Lubbock, Texas (2/2008-3/2013)

Appraisal/valuation and consulting assignments include: apartment buildings; retail buildings and shopping centers; general and medical office buildings; industrial buildings; religious and special purpose properties including schools, churches; hotels and motels; residential subdivisions; and vacant industrial, commercial, and residential land. Assignments have been concentrated in southwest region of the US, including Texas and New Mexico but national appraisal experience in 35 U.S. states.

TALCB
TEXAS APPRAISER LICENSING & CERTIFICATION BOARD

Certified General Real Estate Appraiser

Appraiser: **Michael Glen Divin**
License #: **TX 1320831 G** License Expires: **05/31/2025**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title: Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.

Chelsea Buchholtz
Commissioner

FAST FACTS

COMPANY INFORMATION

- Valbridge is North America's largest independent commercial appraisal firm.
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- Valbridge provides independent valuation services. We are NOT owned by a brokerage firm or investment company.
- Every Valbridge office is overseen by a Senior Managing Director who holds the MAI designation of the Appraisal Institute.
- Valbridge is owned by local offices.
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LEVY RETAIL GROUP

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MARKET POSITIONING AND PRICING ANALYSIS

Main Station

100 South Main Street, Duncanville, TX 75116

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Section 1 FINANCIAL ANALYSIS

Main Station

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PRICE RANGE		LIST PRICE		SALES RANGE		
Price		$4,539,000		$4,138,000		$4,539,000
Down Payment	100%	$4,539,000	100%	$4,138,000	100%	$4,539,000
Net Operating Income		$351,735		$351,735		$351,735

CASH FLOW ANALYSIS - CURRENT NOI			
Total Return	$351,735	$351,735	$351,735
CAP Rate	7.75%	8.50%	7.75%
Price/SF	$203.11	$185.17	$203.11

CASH FLOW ANALYSIS - PRO FORMA NOI			
Net Operating Income	$405,263	$405,263	$405,263
CAP Rate	8.93%	9.79%	8.93%
Price/SF	$203.11	$185.17	$203.11

Main Station

100 South Main Street, Duncanville, TX 75116

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INCOME SUMMARY	CURRENT	PER SF	PRO FORMA	PER SF
Base Rent - Retail Tenants	$262,684	$23.48	$279,948	$25.03
NNN Expense Reimbursements (Retail Tenants)	$79,072	$7.07	$84,060	$7.51
Residential Lofts	$176,280	$15.79	$233,700	$20.94
Loss to Lease	$0	$0.00	($7,000)	($0.63)
Vacancy Allowance (Residential Lofts)	($3,526)	($0.32)	($22,670)	($2.03)
Other Income - Residential Lofts (Fixed Water Charges)	$5,160	$0.46	$5,160	$0.46
GROSS INCOME	**$519,670**	**$23.25**	**$573,198**	**$25.65**
EXPENSE SUMMARY				
Real Estate Taxes	$58,369	$2.61	$58,369	$2.61
Insurance	$19,709	$0.88	$19,709	$0.88
Utilities	$7,200	$0.32	$7,200	$0.32
Landscaping	$12,890	$0.58	$12,890	$0.58
Repairs & Maintenance	$10,325	$0.46	$10,325	$0.46
Parking Lot Sweeping	$2,196	$0.10	$2,196	$0.10
Trash Disposal	$10,872	$0.49	$10,872	$0.49
Porter Service	$15,530	$0.69	$15,530	$0.69
Security & Fire Safety	$2,916	$0.13	$2,916	$0.13
Phone/Internet	$3,743	$0.17	$3,743	$0.17
Pest Control	$2,507	$0.11	$2,507	$0.11
Management Fee	$21,678	$0.97	$21,678	$0.97
GROSS EXPENSES	**$167,935**	**$7.51**	**$167,935**	**$7.51**
NET OPERATING INCOME	**$351,735**	**$15.74**	**$405,263**	**$18.14**

Main Station

100 South Main Street, Duncanville, TX 75116

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SUITE	TENANT NAME	UNIT SIZE (SF)	% OF GLA	LEASE START	LEASE END	ANNUAL RENT	RENT/SF	CHANGES ON	CHANGES TO	EXPENSE REIMBURSEMENT	OPTIONS	LEASE TYPE
	RETAIL											
100 A	Ling Shen Liang	1,915	17.12%	4/1/2019	3/31/2027	$49,500.00	$25.85			$14,391		NNN
100 B	Jesus Najera	1,082	9.67%	10/1/2024	9/30/2029	$34,620.00	$32.00			$8,131		NNN
100 C	Dionne Robinson	422	3.77%	6/1/2024	5/31/2027	$12,660.00	$30.00			$3,171		NNN
102	Leshnja, LLC dba Roma's Italian Bistro	1,565	13.99%	11/1/2016	10/31/2026	$43,440.00	$27.76			$11,761		NNN
104	Francisco Rosales	946	8.46%	7/1/2020	6/30/2030	$20,820.00	$22.01			$7,109		NNN
105	Francisco Rosales	250	2.23%	12/1/2020	6/30/2030	$6,600.00	$26.40			$1,879		NNN
106	Vacant	664	5.94%			$0.00	$0.00					
108	Stahley Sargent	769	6.87%	4/1/2021	3/31/2027	$18,000.00	$23.41			$5,779		NNN
110	Hausofphreedom, LLC	769	6.87%	6/1/2023	5/31/2026	$13,596.00	$17.68			$5,779		NNN
112	Daniel Gonzales	1,014	9.06%	11/1/2024	10/31/2029	$21,884.64	$21.58			$7,620		NNN
114	Denisse Ledezma	744	6.65%	1/1/2024	12/31/2028	$15,756.00	$21.18			$5,591		NNN
116	Gilded Age Cigars, LLC	1,046	9.35%	8/1/2024	7/31/2029	$25,807.32	$24.67			$7,861		NNN
	TOTAL VACANT (RETAIL)	**664**	**6%**									
	TOTAL OCCUPIED (RETAIL)	**10,522**	**94%**									
	TOTAL (RETAIL)	**11,186**	**100%**			**$262,684**				**$79,072**		
	RESIDENTIAL LOFTS											
Storage A	Jeff Jones		0.00%	8/1/2024	7/31/2025	$360.00	-					
Storage B	Lawrence Rodriguez		0.00%	1/1/2023	12/31/2025	$480.00	-					
Storage C	Lisa White		0.00%	6/1/2023	5/31/2024	$0.00	-					
Storage D	Kyle Clark		0.00%	4/1/2023	7/31/2026	$480.00	-					
Storage E	Rik Adamski		0.00%	4/1/2025		$480.00	-					
Storage F	Lisa White		0.00%	6/1/2023	5/31/2024	$0.00	-					
201	Vacant	1,078	9.64%			$0.00	$0.00					
203	Mary Williamson	755	6.75%	9/1/2022	8/31/2025	$12,300.00	$16.29			$300		Gross + Water
205	LaShawna Bailey	754	6.74%	9/1/2017	8/31/2025	$11,880.00	$15.76			$300		Gross + Water
207	Jeff Jones	1,100	9.83%	8/1/2024	7/31/2025	$20,400.00	$18.55			$300		Gross + Water
209	Cadon Lacy	1,288	11.51%	7/1/2019	6/30/2026	$18,600.00	$14.44			$300		Gross + Water
211	Carlos Gonzales	819	7.32%	12/1/2016	11/30/2025	$11,460.00	$13.99			$300		Gross + Water
213	Victor Cardozo	506	4.52%	4/15/2025	4/30/2026	$9,600.00	$18.97			$600		Gross + Water
215	Kyle Clark	754	6.74%	8/1/2022	7/31/2026	$14,520.00	$19.26			$300		Gross + Water
217	Gary Fadeley	546	4.88%	6/1/2017	5/31/2026	$10,320.00	$18.90			$300		Gross + Water
219	Lisa White	728	6.51%	6/1/2023	5/31/2026	$13,740.00	$18.87			$1,260		Gross + Water
221	Lawrence Rodriguez	546	4.88%	12/15/2022	12/31/2025	$11,640.00	$21.32			$300		Gross + Water
223	Tiffany Cooper	506	4.53%	1/1/2024	12/31/2025	$11,400.00	-			$300		Gross + Water
225	Robert Wallace	754	6.76%	5/1/2017	4/30/2026	$13,020.00	-			$300		Gross + Water
227	Wetmix, Inc.	1027	9.18%	9/15/2019	9/30/2025	$15,600.00	$15.19			$300		Gross + Water
	TOTAL VACANT (LOFTS)	**1,078**	**10%**									
	TOTAL OCCUPIED (LOFTS)	**10,083**	**90%**									
	TOTAL (LOFTS)	**11,161**	**100%**			**$176,280**				**$5,160**		
	TOTAL VACANT	**1,742**	**8%**									
	TOTAL OCCUPIED	**20,605**	**92%**									
	TOTAL	**22,347**	**100%**			**$438,964**				**$84,232**		

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Main Station — Ad Valorem Prope

DCEDC Investment: $805,093 (32% Ownership Sha

Year	Taxable Value	City Tax (est.)	ISD Tax (est.)	County Tax (est.)
Note: Tax rates are estimates based on approximate combined levies. City ≈ $0.6435/$100; ISD ≈ $1.32/$100; County				
2004	2,111,180	$13,585	$27,868	$4,799
2005	2,204,210	$14,184	$29,096	$5,010
2006	2,265,080	$14,576	$29,899	$5,149
2007	2,600,000	$16,731	$34,320	$5,910
2008	2,111,240	$13,586	$27,868	$4,799
2009	1,866,120	$12,008	$24,633	$4,242
2010	1,866,120	$12,008	$24,633	$4,242
2011	1,670,310	$10,748	$22,048	$3,797
2012	1,670,310	$10,748	$22,048	$3,797
2013	1,782,610	$11,471	$23,530	$4,052
2014	1,852,660	$11,922	$24,455	$4,211
2015	1,900,000	$12,227	$25,080	$4,319
2016	2,181,350	$14,037	$28,794	$4,958
2017	2,181,350	$14,037	$28,794	$4,958
2018	2,236,760	$14,394	$29,525	$5,084
2019	2,236,760	$14,394	$29,525	$5,084
2020	2,264,890	$14,575	$29,897	$5,148
2021	2,264,890	$14,575	$29,897	$5,148
2022	2,491,690	$16,034	$32,890	$5,664
2023	2,491,690	$16,034	$32,890	$5,664
2024	2,590,000	$16,667	$34,188	$5,887
2025	2,590,000	$16,667	$34,188	$5,887
TOTAL		**$305,207**	**$626,066**	**$107,807**

erty Tax Revenue Analysis (2004–2025)

are) | Source: Dallas Central Appraisal District / City Records

College Tax (est.)	Hospital Tax (est.)	Total Tax Generated	DCEDC Share	Cumulative Total Tax
y ≈ $0.2273/$100; College ≈ $0.1219/$100; Hospital ≈ $0.2713/$100.				
$2,574	$5,728	$54,553	$17,457	$54,553
$2,687	$5,980	$56,957	$18,226	$111,510
$2,761	$6,145	$58,530	$18,729	$170,039
$3,169	$7,054	$67,184	$21,499	$237,223
$2,574	$5,728	$54,554	$17,457	$291,778
$2,275	$5,063	$48,221	$15,431	$339,998
$2,275	$5,063	$48,221	$15,431	$388,219
$2,036	$4,532	$43,161	$13,811	$431,380
$2,036	$4,532	$43,161	$13,811	$474,540
$2,173	$4,836	$46,063	$14,740	$520,603
$2,258	$5,026	$47,873	$15,319	$568,476
$2,316	$5,155	$49,096	$15,711	$617,572
$2,659	$5,918	$56,366	$18,037	$673,938
$2,659	$5,918	$56,366	$18,037	$730,304
$2,727	$6,068	$57,798	$18,495	$788,102
$2,727	$6,068	$57,798	$18,495	$845,900
$2,761	$6,145	$58,525	$18,728	$904,425
$2,761	$6,145	$58,525	$18,728	$962,949
$3,037	$6,760	$64,385	$20,603	$1,027,335
$3,037	$6,760	$64,385	$20,603	$1,091,720
$3,157	$7,027	$66,926	$21,416	$1,158,645
$3,157	$7,027	$66,926	$21,416	$1,225,571
$57,816	**$128,675**	**$1,225,571**	**$392,183**	**$13,614,780**

Main Station

Methodology: Ground-floor retail/restaurant SF × estimated taxable sales/SF ratio × combined state+local s

Year	Occ. Rate	Leased SF	Rest. Sales/SF	Retail Sales/SF
2004	70%	7,700	$280.00	$160.00
2005	75%	8,250	$287.00	$164.00
2006	82%	9,020	$294.17	$168.10
2007	88%	9,680	$301.53	$172.30
2008	82%	9,020	$309.07	$176.61
2009	68%	7,480	$309.07	$176.61
2010	70%	7,700	$309.07	$176.61
2011	72%	7,920	$310.61	$177.49
2012	74%	8,140	$318.38	$181.93
2013	78%	8,580	$326.34	$186.48
2014	80%	8,800	$334.50	$191.14
2015	80%	8,800	$342.86	$195.92
2016	82%	9,020	$351.43	$200.82
2017	84%	9,240	$360.22	$205.84
2018	85%	9,350	$369.22	$210.98
2019	86%	9,460	$378.45	$216.26
2020	60%	6,600	$321.68	$183.82
2021	72%	7,920	$321.68	$183.82
2022	82%	9,020	$329.73	$188.41
2023	84%	9,240	$337.97	$193.13
2024	85%	9,350	$346.42	$197.95
2025	85%	9,350	$355.08	$202.90
TOTAL				

METHODOLOGY & DATA SOURCES	
Taxable Sales/SF Benchmarks:	Restaurant/food-service: $280/SF (2004 base) reflects ICSC and C independent restaurants: $250–$350/SF. General retail: $160/SF (2 Analytics.
Occupancy Assumptions:	Year-specific rates applied based on economic cycle, local market c mandates. Stabilized years (2018–2019, 2022–2025) reflect 82–86
Tenant Use Mix (55/45):	55% food/beverage, 45% general retail reflects Main Station's obse of general retail, making this split material to the estimate.
Sales Tax Rate Calculation:	Texas state rate: 6.25% (constant throughout period). City of Dunca applied to estimated gross taxable sales. Note: some personal serv Tex. Local Gov. Code Ch. 505.
Limitations:	These figures are high-level estimates for staff analysis and board p on tenant mix, lease dates, sales performance, and exempt categor

KEY ASSUMPTIONS		
Ground-Floor Retail/Restaurant SF	**11,000 SF**	~22,000 SF tota lofts/office (not t
Est. Restaurant/Food Use Share	**55%**	Main Station ha for neighborhoo
Avg. Ground-Floor Occupancy Rate	**78%**	78% long-run av stabilized occup
Restaurant Sales/SF — Base (2004)	**$280**	$280/SF base fo concepts (vs. $4
General Retail Sales/SF — Base (2004)	**$160**	$160/SF for neig National avg for
Annual Sales/SF Growth Rate	**2.5%**	2.5% compound (2009-2011: 0%
Texas State Sales Tax Rate	**6.25%**	6.25% — Texas
City of Duncanville Sales Tax Rate	**1.50%**	1.5% — City of 6.25% state rate
DCEDC (4B) Sales Tax Rate	**0.50%**	0.5% — DCEDC Code Ch. 505.

— Estimated Sales Tax Revenue Analysis (2004–

ales tax rate. Figures are high-level estimates for staff analysis; actual collections not verified ag

Blended Sales/SF	Gross Taxable Sales	State Tax (6.25%)	City Tax (1.50%)	DCEDC Tax (0.50%)
$226.00	$1,740,200	$108,763	$26,103	$8,701
$231.65	$1,911,113	$119,445	$28,667	$9,556
$237.44	$2,141,695	$133,856	$32,125	$10,708
$243.38	$2,355,885	$147,243	$35,338	$11,779
$249.46	$2,250,156	$140,635	$33,752	$11,251
$249.46	$1,865,983	$116,624	$27,990	$9,330
$249.46	$1,920,865	$120,054	$28,813	$9,604
$250.71	$1,985,592	$124,099	$29,784	$9,928
$256.98	$2,091,797	$130,737	$31,377	$10,459
$263.40	$2,259,998	$141,250	$33,900	$11,300
$269.99	$2,375,894	$148,493	$35,638	$11,879
$276.74	$2,435,286	$152,205	$36,529	$12,176
$283.66	$2,558,573	$159,911	$38,379	$12,793
$290.75	$2,686,521	$167,908	$40,298	$13,433
$298.01	$2,786,412	$174,151	$41,796	$13,932
$305.46	$2,889,694	$180,606	$43,345	$14,448
$259.64	$1,713,644	$107,103	$25,705	$8,568
$259.64	$2,056,373	$128,523	$30,846	$10,282
$266.14	$2,400,547	$150,034	$36,008	$12,003
$272.79	$2,520,598	$157,537	$37,809	$12,603
$279.61	$2,614,339	$163,396	$39,215	$13,072
$286.60	$2,679,701	$167,481	$40,196	$13,399
	$50,240,864	**$3,140,054**	**$753,613**	**$251,204**

oStar regional benchmarks for independent/neighborhood full-service restaurants in suburban D 2004 base) reflects small-format neighborhood service retail (hair/nail salons, boutiques, special
conditions, and observed Main Street performance. Recession years (2009–2011) discounted to % ground-floor occupancy, consistent with comparable neighborhood mixed-use in DFW.
erved tenant profile as a neighborhood-serving destination with café, restaurant, and bar concep
anville total local rate: 2.0% — comprised of 1.5% to City general revenue fund and 0.5% to DCE vices (haircuts, nail care) are exempt from Texas sales tax; the blended rate implicitly discounts t
presentation context. They are not verified against Texas Comptroller allocation records, DCEDC ries. If precise verification is needed, DCEDC should submit a public information request to the T

al building (LP Agreement, Art. I); ground floor estimated at ~50% = 11,000 SF. Include taxable retail).
as historically hosted food/beverage tenants (restaurants, café, bar) in the majority of its od mixed-use centers along urban main streets in DFW submarket. Adjust if lease abstr
verage reflects a downtown/Main Street mixed-use project with locally-owned tenants. pancy in mature years (2016+: ~85%). Year-specific occupancy rates applied in table b
or independent/neighborhood restaurant — consistent with CoStar/Cushman & Wakefi 400-600/SF for chain fast-casual). Source: CoStar DFW Retail Market Reports; ICSC R
ighborhood service retail (personal care, boutique, specialty goods) — conservative est r neighborhood retail ~$200-250/SF; discounted for Duncanville market, tenant size, ar
d annual growth applied to base sales/SF — approximates long-run CPI + modest real % growth). Reflects menu/price inflation and gradual sales maturation rather than volum
s state rate (constant throughout period). Source: Texas Tax Code §151.051.
Duncanville general sales tax allocation (of the total 2.0% combined local rate). Total l e = 8.25% total effective rate. Source: Texas Comptroller local sales tax allocations; Te
C Type B (4B) economic development sales tax. This is the direct funding mechanism t

-2025)

gainst Comptroller records.

Total Sales Tax	DCEDC Share Only	Cumulative Total Tax	Notes
$143,567	**$8,701**	$143,567	*Opening/lease-up year; partial occupancy assumed*
$157,667	**$9,556**	$301,233	*Early stabilization; tenant mix forming*
$176,690	**$10,708**	$477,923	*Improved occupancy; market rents rising*
$194,360	**$11,779**	$672,284	*Peak pre-recession occupancy; strong local sales*
$185,638	**$11,251**	$857,922	*Onset of recession; some tenant attrition*
$153,944	**$9,330**	$1,011,865	*Recession trough; reduced consumer spending*
$158,471	**$9,604**	$1,170,336	*Slow recovery; below-trend sales volume*
$163,811	**$9,928**	$1,334,148	*Gradual stabilization; sales growth flat*
$172,573	**$10,459**	$1,506,721	*Recovery continues; new tenant turnover*
$186,450	**$11,300**	$1,693,171	*Improving occupancy; market confidence returns*
$196,011	**$11,879**	$1,889,182	*Stabilized; DCEDC renovation support period*
$200,911	**$12,176**	$2,090,093	*Stable operations; new retail concepts entering*
$211,082	**$12,793**	$2,301,175	*Texas Brand Bank refinance; operations steady*
$221,638	**$13,433**	$2,522,813	*Continued growth; Main Street revitalization*
$229,879	**$13,932**	$2,752,692	*Near-stabilized; strong DFW consumer market*
$238,400	**$14,448**	$2,991,092	*Peak occupancy cycle; Pre-COVID strength*
$141,376	**$8,568**	$3,132,468	*COVID-19 impact: mandatory closures, reduced capacity*
$169,651	**$10,282**	$3,302,119	*Partial recovery; outdoor dining, limited capacity*
$198,045	**$12,003**	$3,500,164	*Post-COVID rebound; pent-up consumer demand*
$207,949	**$12,603**	$3,708,113	*Normalized operations; inflationary environment*
$215,683	**$13,072**	$3,923,796	*Stable; continued Main Street corridor activity*
$221,075	**$13,399**	$4,144,871	*Consistent with 2024; buyout negotiation year*
$4,144,871	**$251,204**	**$4,144,871**	**22-Year Estimated Totals**

DFW (comparable to DeSoto, Cedar Hill, Lancaster main street corridors). National median for lty goods). Source: ICSC Research, Cushman & Wakefield DFW Retail MarketBeat, CoStar
o 68–72%. COVID year (2020) reduced to 60% reflecting forced closures and limited capacity
ts anchoring the ground floor. Food/bev tenants typically generate 1.5–2x the taxable sales/SF
EDC (Type B / 4B economic development corporation). Total effective combined rate: 8.25% this through the conservative retail sales/SF assumption. Source: Texas Tax Code §151.051;
C annual revenue reports, or tenant sales data. Actual collections may vary materially based Texas Comptroller's office for allocation data by permit holder at this address.

es storefronts, restaurant space, and street-level office/retail. Upper floor = residential
s ground-floor space. 55% food/bev, 45% general retail reflects observed tenant mix racts indicate different split.
Assumes higher vacancy in recessionary years (2009-2012: ~65-70%) and near- below.
ield DFW restaurant benchmarks for locally-owned, lower-volume full-service Research neighborhood retail benchmarks.
timate for locally-owned small-format retail in a suburban Main Street context. nd lower traffic density vs. regional corridors.
sales growth for neighborhood retail in DFW. Moderated down in recession years ne expansion.
local rate = 2.0%: 1.5% to City general fund + 0.5% to DCEDC (4B). Combined with ex. Local Gov. Code Ch. 505.
for DCEDC. Remitted from Texas Comptroller to DCEDC. Source: Tex. Local Gov.