

Arkansas Square Plaza
3901 W Arkansas Lane
Suite 107 (Leasing Office)
Arlington, TX 76016

On Site Property Manager:
Mary Molina

214-734-4563
mary.arkansasquare@gmail.com

Corporate Office:
Arkansas Square, LLC
1200 Aviation Blvd., Suite 202
Redondo Beach, CA 90278

Corporate Representative:
Carla Brown
940-550-2403
arkansasquare@gmail.com

Thank you for your interest in our neighborhood shopping center. We would like to offer you a little information about our center and answer as many questions as we can about our leasing process.

Property Description:

We are a multi-tenant, Neighborhood Shopping Center positioned at the corner of West Arkansas Lane & Park Springs Blvd across from the Veterans Park. The plaza consists of 20 Suites with a total of 30,255 rentable square feet combined. The parking lot provides 156 parking spaces for the use of our tenants and their customers. The Plaza is located in the central portion of the City of Arlington. Neighborhood boundaries are defined as West Pioneer Parkway (SH-303) to the north, IH-20 to the south, SH-360 to the east, and West Green Oaks Blvd to the west.

Current Tenants include:

Texas Chainwreck Disc Golf Shop, Texaco/One Stop Convenience Store, Platinum Kutz Barber Shop, Arkansas Square Laundromat, Little Tokyo Japanese Restaurant, The American Manicure School, Ego Kouture Boutique, Lemon Grass Grill Thai Restaurant, Texas Tobacco Vape Shop / Uhaul Rentals, Taco Regio Mexican Restaurant, Tax Plus Tax Prep, Best Foot Care Foot Massage, My Beauti Bar Boutique Salon, Area 42 Game Center, Women's Power Bar Fitness Studio, Inner Strength Fitness Boot Camp and Personal Trainers, Salon Couture Hair Salon, Serenity Nail Salon & Spa, and Hearth Wisdom New Age Medicine & Metaphysical Store.

Leasing Process:

All interested parties should fill out an application and turn it into the leasing office located inside Suite 107. We will review and verify the information before getting back to you.

Once an agreement has been made between both parties, potential tenants must provide all required information so that Property Manager can properly fill out leasing paperwork. At the time of executing the lease document, a deposit equal to monthly rent (unless otherwise stated) is required to be paid along with the first month's rent and triple net payment. All checks must be made out to Arkansas Square, LLC. Once lease is signed and deposit/rent/NNN is paid, tenant will receive a key to their suite. Once your suite is ready for occupancy and all tenant improvements have been made, you will need to fill out and submit a Certificate of Occupancy Application at the City of Arlington offices located at 101 W Abram St., 2nd Floor. You will be able to set up an appointment for inspection in order to receive your Certificate of Occupancy. You can find an online application to fill out at www.arlington-tx.gov/cdp/building-zoning-forms. Once you receive the certificate of occupancy, it must be displayed in the suite so that it is visible to the public and a copy of the certificate must be given to the on-site manager for our records.

New tenants need to have the electricity switched over into their names as soon as they receive their Certificate of Occupancy Permit from the City.

Electric - Reliant Energy 1-866-660-4900

Water - Is billed to and paid by Landlord and added in to the annual triple net amounts, due to there not being separate meters for each suite. Tenants operating businesses that require substantial amounts of water usage for their business model (such as restaurants, hair salons, nail salons, aquarium sales, and heavy traffic business offices with public toilets, etc.) will be required to pay a set amount of \$50 per month for water to landlord for reimbursement of overages.

Store Signage: *Within thirty days* of lease start date, tenants are required to have *ordered* storefront signage to be placed on the building above suite. Sign must be approved by the landlord before it is ordered. If signing a three year lease, landlord will help with signage costs, but only if using their approved signage company, Hang "EM" High Signs.

Trash: All trash produced by tenants must be taken and thrown *into* the dumpster located in the parking lot and not placed to the side or around the dumpster. If remodeling your own suite, please have trash and debris hauled away to the dump, as the dumpster is not equipped to take more than the allotted amount per tenant. The dumpster is emptied every Tuesday, Thursday and Saturday.

NNN (Triple Net) is collected on top of rent - which is why we start rents low to compensate for the collection of NNN. Most properties in the metroplex start at \$1.00 per square foot plus NNN, and we start at \$0.85 or lower depending on the square footage of the suite.

What is Triple Net: A triple net lease (triple-Net or NNN) is a lease agreement on a property where the tenant or lessee agrees to pay all real estate taxes, building insurance, and maintenance (the three "nets") on *their* portion of the property in addition to any normal fees that are expected under the agreement (rent, utilities, etc.).

Based on the 2017 expenses for property taxes, property insurance and common area upkeep, the Triple Net for 2018 on the property is at \$3.38 per square foot per year (\$0.28 per square foot per month). The NNN amount payable on each suite is based on the square footage of the suite times \$0.28. The NNN calculation will be based on the prior years' expenses paid. It will change every year based on the City of Arlington property tax evaluation, the Commercial Insurance Premium for the property, and the common area expenses. A breakdown of the prior year's expenses which effect the NNN will be given to tenants in February of every year and the new NNN amount due for each tenant will take effect in April of every year.

It is our promise to our tenants, that we will do everything in our power to keep the expenses as low as possible. We dispute the property value every year with the City to keep the taxes as low as possible and we shop rates for property insurance to assure that we are paying a reasonable rate every year. The common area expenses are: the Trash P/U fee from Republic Services, the monthly Lawn/Tree Maintenance, the Building Maintenance and Repairs, the electricity for the parking lot lights, and the common water utility less the Water Fees that are paid by suites that use more than the normal monthly allotment such as restaurants, salons, large offices with multiple restrooms and convenience stores.

We have replaced the roof with a new Carlisle Roofing System that has a 20 year warranty, we have replaced the old HVAC units with new Energy Efficient Daikon Systems and we have replaced the parking lot lights with brighter and more energy efficient LED bulbs, all in the last few years. Our goals for the future are to paint the exterior of the building and repave and stripe the parking lot. (The cost of these items will not be added to the NNN as they are property improvements and not maintenance items).

On the following page, you will find the actual breakdown of costs for 2017 on the property which make up the 2018 NNN amount. Each tenant will receive an updated version every year in February.

Terms For Lease Terminations: If a tenant finds that their business is no longer viable during the term of their lease and wishes to terminate the lease and vacate the premises before the end of their lease term, they would forfeit their deposit paid at time of signing the lease and there would be a three month reletting fee (3 X the amount of the current rent) in order to terminate the signed lease. A request for termination must be remitted to the leasing office, in writing, 30 days prior to the termination.

2018 Triple Net (NNN) Based on the 2017 Expenses:

Property Taxes	\$51,488.67
Commercial Property Insurance	\$17,547.00
Trash P/U Fees (Republic Services)	\$ 5,322.46
Lawn/Tree Maintenance	\$ 6,930.00
Building/HVAC Maintenance/Repair	\$11,292.89
Common Area Electric	\$ 1,752.25
Common Water/Sewer (less Water Fees collected)	<u>\$ 8,157.19</u>
Total	\$102,490.46

Divided by the Rentable Square Feet for the entire building (30,255)

\$102,490.46 Divided by 30,255 = \$3.38 per square foot per year

\$3.38 Divided by 12 months = \$0.28 per square foot per month