

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

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FILER

**JMB INCOME PROPERTIES LTD X**

CIK: **719244** | IRS No.: **363235999** | State of Incorporation: **IL** | Fiscal Year End: **1231**  
Type: **10-Q** | Act: **34** | File No.: **000-12140** | Film No.: **94527968**  
SIC: **6500** Real estate

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SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

FORM 10-Q

Quarterly Report Under Section 13 or 15(d)  
of the Securities Exchange Act of 1934

For the quarter ended March 31, 1994 Commission File No. 0-12140

JMB INCOME PROPERTIES, LTD. - X  
(Exact name of registrant as specified in its charter)

Illinois 36-3235999  
(State of organization) (IRS Employer Identification No.)

900 N. Michigan Ave., Chicago, IL 60611  
(Address of principal executive office) (Zip Code)

Registrant's telephone number, including area code 312/915-1987

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes X No

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PART I. FINANCIAL INFORMATION

ITEM 1. FINANCIAL STATEMENTS

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED BALANCE SHEETS

MARCH 31, 1994 AND DECEMBER 31, 1993

(UNAUDITED)

ASSETS

-----

<CAPTION>

	1994	1993
	-----	-----
	<C>	<C>
<b>&lt;S&gt;</b>		
Current assets:		
Cash and cash equivalents (note 1) . . . . .	\$ 466,986	1,061,308
Short-term investments (note 1) . . . . .	2,753,922	3,189,979
Rents and other receivables, net of allowance for doubtful accounts of \$85,062 in 1994 and \$113,363 in 1993 . . . . .	750,459	631,960
Prepaid expenses . . . . .	105,334	233,119
Escrow deposits (note 3(b)) . . . . .	67,857	18,943
	-----	-----
Total current assets . . . . .	4,144,558	5,135,309
	-----	-----
Investment properties, at cost (notes 2 and 3):		
Land . . . . .	19,777,474	19,826,661
Buildings and improvements . . . . .	135,875,970	135,014,936
	-----	-----
	155,653,444	154,841,597
Less accumulated depreciation . . . . .	45,063,429	43,945,824
	-----	-----
Total investment properties, net of accumulated depreciation . . . . .	110,590,015	110,895,773
Investment in unconsolidated ventures, at equity (notes 1, 3 and 6) . . . . .	22,527,470	22,662,962
Deferred expenses . . . . .	308,011	344,696
Accrued rents receivable . . . . .	1,994,041	1,866,812
	-----	-----
	\$139,564,095	140,905,552
	=====	=====

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED BALANCE SHEETS - CONTINUED

LIABILITIES AND PARTNERS' CAPITAL ACCOUNTS

-----

	1994	1993
	-----	-----
<b>Current liabilities:</b>		
Current portion of long-term debt (notes 2(a) and 3(b)) . . . . .	\$ 41,658,605	27,294,320
Accounts payable . . . . .	687,651	784,617
Accrued interest . . . . .	2,813,433	3,003,805
Accrued real estate taxes . . . . .	762,472	2,547,126
	-----	-----
Total current liabilities . . . . .	45,922,161	33,629,868
Tenant security deposits . . . . .	26,128	31,878

Long-term debt, less current portion (notes 2 and 3(b)) . . . . .	32,356,244	46,800,991
	-----	-----
Total liabilities. . . . .	78,304,533	80,462,737
Partners' capital accounts:		
General partners:		
Capital contributions. . . . .	1,000	1,000
Cumulative net earnings. . . . .	1,003,192	963,664
Cumulative cash distributions. . . . .	(250,000)	(250,000)
	-----	-----
	754,192	714,664
Limited partners (150,005 interests):		
Capital contributions, net of offering costs . . . . .	135,651,080	135,651,080
Cumulative net earnings. . . . .	17,139,460	15,762,221
Cumulative cash distributions. . . . .	(92,285,170)	(91,685,150)
	-----	-----
	60,505,370	59,728,151
	-----	-----
Total partners' capital accounts . . . . .	61,259,562	60,442,815
	-----	-----
Commitments and contingencies (notes 2 and 3)	\$139,564,095	140,905,552
	=====	=====

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

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JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED STATEMENTS OF OPERATIONS

THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

<CAPTION>

	1994	1993
	-----	-----
<S>	<C>	<C>
Income:		
Rental income. . . . .	\$7,755,983	7,490,693
Interest income. . . . .	27,688	66,228
	-----	-----
	7,783,671	7,556,921
Expenses:		
Mortgage and other interest. . . . .	2,152,329	2,363,068
Depreciation . . . . .	1,117,605	1,068,524
Property operating expenses. . . . .	3,680,300	3,360,876
Professional services. . . . .	66,290	147,802
Amortization of deferred expenses. . . . .	36,711	40,773
General and administrative . . . . .	48,281	41,996
	-----	-----
	7,101,516	7,023,039
	-----	-----
Operating earnings. . . . .	682,155	533,882
Partnership's share of operations of unconsolidated ventures (note 1). . . . .	163,184	556,913
	-----	-----
Net operating earnings. . . . .	845,339	1,090,795
Gain on sale or disposition of investment properties (note 2(c)) . . . . .	571,428	--
	-----	-----
Net earnings. . . . .	\$1,416,767	1,090,795
	=====	=====
Net earnings per limited partnership interest (note 1):		
Net operating earnings. . . . .	\$ 5.41	6.98
Gain on disposition of investment properties. . . . .	3.77	--
	-----	-----
Net earnings. . . . .	\$ 9.18	6.98
	=====	=====

Cash distributions per limited partnership interest . . . . . \$ 4.00 10.00  
=====

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

<TABLE>

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED STATEMENTS OF CASH FLOWS

THREE MONTHS ENDED MARCH 31, 1994 AND 1993

(UNAUDITED)

<CAPTION>

	1994	1993
	-----	-----
<S>	<C>	<C>
Cash flows from operating activities:		
Net earnings . . . . .	\$1,416,767	1,090,795
Items not requiring (providing) cash or cash equivalents:		
Depreciation . . . . .	1,117,605	1,068,524
Amortization of deferred expenses . . . . .	36,711	40,773
Partnership's share of operations of unconsolidated ventures, net of distributions . . . . .	--	52,405
Venture partner's share of venture's operations . . . . .	135,492	--
Gain on sale or disposition of investment property . . . . .	(571,428)	--
Changes in:		
Rents and other receivables . . . . .	(118,499)	(46,352)
Escrow deposits . . . . .	(48,914)	(39,988)
Prepaid expenses . . . . .	127,785	121,620
Accrued rents receivable . . . . .	(127,229)	(176,935)
Accounts payable . . . . .	(96,966)	(59,567)
Accrued interest . . . . .	(190,372)	150,866
Accrued real estate taxes . . . . .	(1,784,654)	(1,893,481)
Other current liabilities . . . . .	--	59,754
Tenant security deposits . . . . .	(5,750)	(9,780)
	-----	-----
Net cash provided by (used in) operating activities . . . . .	(109,452)	358,634
	-----	-----
Cash flows from investing activities:		
Cash proceeds from sale of investment property, net of selling expenses . . . . .	620,615	--
Net sales and maturities of short-term investments . . . . .	436,057	1,186,880
Additions to investment properties . . . . .	(861,034)	(812,941)
Payment of deferred expenses . . . . .	(26)	(28,010)
	-----	-----
Net cash provided by investing activities . . . . .	195,612	345,929
	-----	-----

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

CONSOLIDATED STATEMENTS OF CASH FLOWS - CONTINUED

	1994	1993
	-----	-----
Cash flows from financing activities:		
Principal payments on long-term debt . . . . .	(80,462)	(61,563)
Distributions to limited partners . . . . .	(600,020)	(1,500,050)
	-----	-----
Net cash used in financing activities . . . . .	(680,482)	(1,561,613)
	-----	-----
Net decrease in cash and cash equivalents . . . . .	\$ 594,322	857,050
	=====	=====

Supplemental disclosure of cash flow information:

Cash paid for mortgage and other interest . . . . .	\$ 2,152,329	2,212,202
	=====	=====
Non-cash investing and financing . . . . .	\$ --	--
	=====	=====

<FN>

See accompanying notes to consolidated financial statements.

</TABLE>

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 1994 AND 1993

Readers of this report should refer to the Partnership's audited financial statements for the year ended December 31, 1993, which are included in the Partnership's 1993 Annual Report, as certain footnote disclosures which would substantially duplicate those contained in such audited financial statements have been omitted from this report.

(1) BASIS OF ACCOUNTING

The accompanying consolidated financial statements include the accounts of the Partnership and its venture, Animas Valley Mall Associates ("Animas"). The effect of all transactions between the Partnership and its venture has been eliminated in the consolidated financial statements. The equity method of accounting has been applied in the accompanying consolidated financial statements with respect to the Partnership's venture interests in Royal Executive Park - I ("Royal Executive Park") and JMB-40 Broad Street Associates ("Broad Street"). Accordingly, the accompanying consolidated financial statements do not include the accounts of Royal Executive Park, or of Broad Street.

The Partnership records are maintained on the accrual basis of accounting as adjusted for Federal income tax reporting purposes. The accompanying consolidated financial statements have been prepared from such records after making appropriate adjustments to present the Partnership's accounts in accordance with generally accepted accounting principles ("GAAP") and to consolidate the accounts of the venture as described above. Such adjustments are not recorded on the records of the Partnership. The net effect of these items for the three months ended March 31 is summarized as follows:

	1994		1993	
	GAAP	BASISTAX BASIS	GAAP	BASISTAX BASIS
	-----		-----	
Net earnings (loss)	\$1,416,767	(52,251)	1,090,795	(134,278)
Net earnings (loss) per limited partner- ship interest . . .	9.18	(.31)	6.98	(.86)
	=====	=====	=====	=====

The net earnings (loss) per limited partnership interest is based upon the number of limited partnership interests outstanding at the end of each period (150,005).

Certain amounts in the 1993 consolidated financial statements have been reclassified to conform with the 1994 presentation.

Statement of Financial Accounting Standards No. 95 requires the Partnership to present a statement which classifies receipts and payments according to whether they stem from operating, investing or financing activities. The required information has been segregated and accumulated according to the classifications specified in the pronouncement. Partnership distributions from unconsolidated ventures are considered cash flow from operating activities only to the extent of the Partnership's cumulative share of net earnings. The Partnership records amounts held in U.S. Government obligations at cost, which approximates market. Therefore, for the purposes of these statements, the Partnership's policy is to consider all such amounts held with original maturities of three months or less, none at March 31, 1994 and December 31, 1993, respectively, as cash equivalents with any remaining amounts (generally with original maturities of one year or less) reflected as short-term investments being held to maturity.

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

(2) INVESTMENT PROPERTIES

(a) Pasadena Town Square Mall

The Partnership continues to explore the possibility of adding another major department store to the Pasadena Town Square. In order to add another department store at this center, the Partnership may need to commit a substantial amount of capital. Given the Partnership's current lack of substantial working capital, the Partnership may be unable to undertake the addition of a department store without an alternative source of capital. The Partnership has commenced discussions with a major department store owner concerning the opening of a store at the property. There is no assurance that the addition of a department store will ultimately occur.

In 1993, the Partnership commenced a minor mall enhancement program which includes a food court remodel. The program is expected to cost approximately \$500,000 with completion during 1994. In addition, commencing in 1994 and continuing for the next four years, the Partnership is undertaking a program to repair the property's roof and parking lot. The total cost of the repair work is expected to be approximately \$1,700,000. Such amount will be partially recoverable from tenants pursuant to provisions in their leases.

The Partnership is currently seeking a refinancing of the mortgage loan on the property in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the Partnership will obtain a refinancing of the mortgage note which matures in January 1995.

(b) Collin Creek Mall

In 1992 and 1993 the Partnership completed the renovation of the food court and main floor common area, added escalators at two locations and upgraded the mall's interior and exterior signage. The total cost of these enhancement programs was approximately \$4,400,000. In addition, in 1994 the Partnership has commenced a parking lot repair project which will take five years to complete and cost approximately \$1,300,000. Such amount will be partially recoverable from tenants pursuant to provisions in their leases.

The Partnership is currently seeking a refinancing of the mortgage note in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the Partnership will obtain a refinancing of the mortgage note which matures in July 1995.

(c) North Hills Mall

The Partnership continues to explore the replacement of a major tenant, which owns its own store, with another major tenant and/or adding another major tenant to the center. The major tenant, which is currently using only

the first level of its two-story store, has expressed an interest in closing its store. In order to replace the major tenant with another and/or add another major tenant, the Partnership may need to commit substantial capital.

Given the Partnership's current lack of substantial working capital, the Partnership may be unable to undertake the replacement or addition of the major tenant(s) without an outside source of capital. The Partnership is exploring its alternatives in this regard. The Partnership believes the replacement of the major tenant and/or addition of another major department store to this center would greatly enhance the position of this center within the North Richland Hills retail market. However, there can be no assurance that such replacement and/or addition will ultimately occur.

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

In 1993, the Partnership completed a mall enhancement program which included the replacement of the floor in a portion of the mall, a food court remodel, and certain lighting improvements. The program cost approximately \$1,000,000. In addition, the Partnership is in the second year of a five year program to repair the property's roof and parking lot. The total cost of the repair is expected to be approximately \$1,500,000. Such amounts are partially recoverable from tenants pursuant to provisions in their leases.

The Partnership is currently seeking a refinancing of the mortgage loan on the property in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the partnership will obtain a refinancing of the mortgage note which matures in July 1995.

In February 1994, the Partnership sold its remaining outparcel piece of land to an unaffiliated third party. The purchaser intends to build a restaurant on the site. The sale price for the outparcel was \$700,000 (before selling costs and prorations). The Partnership will retain the net sale proceeds in its working capital. The Partnership will recognize a gain of \$571,428 for Financial reporting purposes and expects to recognize a gain for Federal income tax purposes in 1994.

(3) VENTURE AGREEMENTS

(a) General

The Partnership at March 31, 1994 is a party to three joint venture agreements. Under certain circumstances, either pursuant to the venture agreements or due to the Partnership's obligations as a general partner, the Partnership may be required to make additional cash contributions to the ventures.

There are certain risks associated with the Partnership's investments made through joint ventures including the possibility that the Partnership's joint venture partners might become unable or unwilling to fulfill their financial or other obligations, or that such joint venture partners may have economic or business interests or goals that are inconsistent with those of the Partnership.

(b) Animas Valley Mall

Operating profits and losses are allocated to the Partnership and the joint venture partner according to their respective contributions to fund operating deficits with any remaining losses allocated to the Partnership.

In April 1992, the Partnership and its joint venture partner settled certain legal disputes regarding the joint venture agreement and management at the property. Under the terms of the settlement, the joint venture partner has contributed approximately \$404,000 to the joint venture and relinquished its approval rights in connection with the business affairs of the joint venture. The joint venture partner has retained certain approval rights in connection with a sale or refinancing of the property. The Partnership, in return, has agreed to pay the joint venture partner a certain settlement amount in connection with the disposition of the property. Such disposition payment, \$300,000 at March 31, 1994, decreases annually on January 1 to \$92,000 in 1996 and thereafter. Under certain limited disposition events, the disposition payment amount can be further reduced or eliminated.



JMB INCOME PROPERTIES, LTD. - X  
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AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

In April 1992, the Partnership had finalized a modification of the existing long-term mortgage note secured by the Animas Valley Mall. Under the terms of the modification, the joint venture, commencing with the January 1991 payment, was obligated to pay debt service of interest only installments at a rate of 10.25% per annum, through the original term of the note, with the deferred interest (2.25%) accruing at 12.5% and payable monthly to the extent of any excess cash flow (as defined) or upon the earlier of the sale of the property or maturity of the note in January 1994. The joint venture has paid debt service in 1991, 1992, 1993 and through February 1994 in accordance with these modified terms. Subsequent to the end of the quarter, the joint venture and the existing lender finalized an amendment to the loan (effective March 1, 1994) providing for the extension of its maturity to March 1995 and lowering the pay and accrual rate on the principal balance to 8% per annum. Any excess cash flow generated by the property during this period is payable to the lender quarterly towards the accrued interest at December 31, 1993 (approximately \$2,100,000). In addition, the joint venture has agreed to market this property for sale during the extension period. The lender has agreed to allow the joint venture to retain a portion of the net sale proceeds (as defined) in excess of the current principal balance of \$27,000,000. In addition, the lender has expressed a willingness to finance a portion of the purchase price for a potential purchaser. There are no assurances that the joint venture will be successful in selling the property at the level whereby it will share in any sale proceeds. The Partnership has decided not to commit additional capital to the joint venture. Therefore, if upon maturity, assuming a sale cannot be achieved, and the lender is unwilling to provide further extensions to the loan, the joint venture will transfer title to the property to the lender. This would result in the Partnership recognizing a gain for Federal income tax and financial reporting purposes with no distributable proceeds. In addition, a disposition through a sale to a third party or transfer of title to the lender would result in a disposition payment to the joint venture partners as discussed above.

In December 1993, the Partnership sold an outparcel piece of land to an unaffiliated third party. The purchaser intends to build a bank on the site. The sale price for the outparcel was approximately \$194,000 (before selling costs and prorations). The Partnership will retain the net sale proceeds in its working capital reserve.

(c) Royal Executive Park

Annual cash flow is distributed 49.9% to the Partnership and 50.1% to the joint venture partner. However, since the joint venture partner did not receive \$2,605,200 of cash flow for each of the initial five years, the joint venture partner will be entitled to receive such deficiency, up to \$400,000 from annual cash flow, if any, available for distribution to the partners after the Partnership and the joint venture partners have received \$2,594,800 and \$2,605,200, respectively, per annum. Operating profits and losses are generally allocated to the joint venture partners in the same ratio that annual cash flow is distributed to the partners.

The joint venture agreement further provides that proceeds from sale or refinancing of the complex will be distributed 49.9% to the Partnership and 50.1% to the joint venture partner.

The complex is managed by an affiliate of the venture partner on a year-to-year basis for a management fee of 2% of collected revenues.

Occupancy of this office building has decreased to 78% compared to 97% at October 31, 1993. As anticipated, during the fourth quarter of 1993 New York Telephone Company's lease (90,000 square feet) expired and it, along with certain of its subtenants, vacated the building. MCI Realty Inc. (180,000 square feet), which had been subleasing a portion of the New York Telephone

JMB INCOME PROPERTIES, LTD. - X  
(A LIMITED PARTNERSHIP)  
AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

space, entered into a direct lease with the joint venture for 30,000 square feet. The lease term is coterminous with the remainder of its space and provides for an effective rental rate at market, which is substantially less than the rental rate paid previously by New York Telephone. The joint venture continues to actively market the remaining New York Telephone Company space to prospective tenants. As previously reported, MCI had approached the joint venture seeking a current rent reduction in return for a lease extension beyond its current lease expiration date of March 31, 1998 on its existing 180,000 square feet lease. The joint venture and MCI continue to negotiate the terms of a possible modification and extension. However, there can be no assurance that a modification or extension will be executed on economic terms acceptable to the venture.

(d) Broad Street

The Broad Street venture agreement provides that the Partnership will be allocated or distributed profits and losses, cash flow from operations and sale or refinancing proceeds in the ratio of its capital contributions to Broad Street which is 31.44%. The Partnership and the venture partner (JMB Income Properties, Ltd. - XII, a partnership sponsored by the Managing General Partner of the Partnership) are current with respect to their required capital contributions to Broad Street.

The downtown New York City market remains extremely competitive due to the significant amount of space available primarily resulting from the layoffs, cutbacks and consolidations by financial service companies and related businesses which dominated this market. Rental rates in the downtown market are currently at depressed levels and this can be expected to continue for the foreseeable future while the current vacant space is gradually absorbed. Little, if any, new construction is planned for downtown over the next few years and it is expected that the building will continue to be adversely affected by the lower than originally projected effective rental rates now achieved upon releasing of existing leases which expire over the next few years.

Occupancy is 80% at March 31, 1994 at Broad Street in New York, New York.

Overall cash flow returns for this property for the next few years are expected to be lower than originally projected because an additional 13% of the leased and occupied expires during the next two years. In addition, a tenant, occupying approximately 37,000 square feet (approximately 15% of the building), did not renew its lease when it expired in September 1993. However, subtenants occupying approximately 21,000 square feet whose leases also expired in September 1993 have held over while Broad Street continues to negotiate leases with them. Furthermore, Broad Street has renewed and expanded another tenant, effective July 1, 1993, whose lease was scheduled to expire in December 1994. This tenant has expanded from approximately 18,000 square feet to approximately 35,000 square feet at a market effective rental rate which is lower than its existing lease. The Partnership will continue its aggressive leasing program; however, the downtown New York City market remains extremely competitive due to the significant amount of space available primarily resulting from the layoffs, cutbacks and consolidations by financial service companies and related businesses which dominated this market. In addition to competition for tenants in the downtown Manhattan market from other buildings in the area, there is increasing competition from less expensive alternatives to Manhattan. In order to enhance the building's competitive position in the marketplace, the joint venture partners are proceeding with certain modest upgrades to the building's main lobby and elevators. Rental rates in the downtown market are currently at depressed levels and this can be expected to continue for the foreseeable future while

JMB INCOME PROPERTIES, LTD. - X  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

the current vacant space is gradually absorbed. Little, if any new construction is planned for downtown over the next few years and it is expected that the building will continue to be adversely affected by the lower than originally expected effective rental rates achieved upon releasing of existing leases which expire over the next few years.

(4) PARTNERSHIP AGREEMENT

Pursuant to the terms of the Partnership Agreement, net profits or losses of the Partnership from operations are allocated 96% to the Limited Partners and 4% to the General Partners. Profits from the sale or refinancing of investment properties are to be allocated to the General Partners to the greater of 1% of such profits or the amount of cash distributable to the General Partners from any such sale or refinancing (as described below). Losses from the sale or refinancing of investment properties are to be allocated 1% to the General Partners. The remaining sale or refinancing profits and losses will be allocated to the Limited Partners.

An amendment to the Partnership Agreement, effective January 1, 1991, generally provides that notwithstanding any allocation contained in the Agreement, if at any time profits are realized by the Partnership, any current or anticipated event would cause the deficit balance in absolute amount in the Capital Account of the General Partners to be greater than their share of the Partnership's indebtedness (as defined) after such event, then the allocation of Profits to the General Partners shall be increased to the extent necessary to cause the deficit balance in the Capital Account of the General Partners to be no less than their respective shares of the Partnership's indebtedness after such event. In general, the effect of this amendment is to allow the deferral of the recognition of taxable gain to the Limited Partners.

The General Partners are not required to make any capital contributions except under certain limited circumstances upon termination of the Partnership. Distributions of "cash flows" of the Partnership are allocated 90% to the Limited Partners and 10% to the General Partners. However, portions of such distributions to the General Partners are subordinated to the Limited Partners' receipt of a stipulated return on capital. Through December 31, 1993, a portion of the General Partners' distributions have been deferred (note 5).

The Partnership Agreement provides that the General Partners shall receive as a distribution from the sale of a real property by the Partnership 3% of the selling price and any cumulative deferrals of their 10% distribution of disburseable cash, subject to certain limitations. Any remaining proceeds (net after expenses and retained working capital) will be distributed 85% to the Limited Partners and 15% to the General Partners. However, the Limited Partners shall receive 100% of such net sale proceeds until the Limited Partners (i) have received cash distributions of sale or refinancing proceeds in an amount equal to the Limited Partners' aggregate initial capital investment in the Partnership, and (ii) have received cumulative cash distributions from the Partnership's operations which, when combined with sale or refinancing proceeds previously distributed, equal a 10% annual return on the Limited Partners' average capital investment for each year (their initial capital investment as reduced by sale or refinancing proceeds previously distributed) commencing with the first fiscal quarter of 1984. Therefore, the General Partners have deferred certain sale proceeds (\$241,080 or \$1.60 per interest) from the Partnership.

JMB INCOME PROPERTIES, LTD. - X  
 (A LIMITED PARTNERSHIP)  
 AND CONSOLIDATED VENTURE

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS - CONCLUDED

(5) TRANSACTIONS WITH AFFILIATES

Fees, commissions and other expenses required to be paid by the Partnership to the General Partners and their affiliates for the three months ended March 31, 1994 and 1993 are as follows:

	1994	1993	Unpaid at March 31, 1994
	-----	-----	-----
Property management and leasing fees. . . . .	\$164,303	188,073	--
Insurance commissions.	--	6,270	--
Reimbursement (at cost) for out-of-pocket expenses. . . . .	567	4,422	--
	-----	-----	-----
	\$164,870	198,765	--
	=====	=====	=====

The Managing General Partner and its affiliates are entitled to reimbursement for salaries and direct expenses of officers and employees of the Managing General Partner and its affiliates relating to the administration of the Partnership and operation of Partnership investment properties. In 1993 and through the first quarter of 1994, such costs aggregated \$100,051 and \$22,807, respectively, of which \$105,748 were unpaid at March 31, 1994.

The General Partners have deferred (in accordance with the Partnership agreement) payment of certain of their distributions of net cash flow from the Partnership. The cumulative amount of such distributions aggregated \$9,419,707 at March 31, 1994 (approximately \$63 per interest). In addition, the General Partners have deferred certain sale proceeds of \$241,080 from the Partnership as more fully described in note 4. All amounts due to the General Partner do not bear interest and are expected to be paid if allowable periods in accordance with the Partnership Agreement, from cash generated from future operations and sales.

(6) UNCONSOLIDATED VENTURES - SUMMARY INFORMATION

The summary income statement information for the Royal Executive Park and Broad Street ventures for the three months ended March 31, 1994 and 1993 is as follows:

	1994	1993
	-----	-----
Total income. . . . .	\$2,913,429	3,756,481
	=====	=====
Operating earnings. . . . .	\$ 466,738	1,368,699
	=====	=====
Net earnings to Partnership . . .	\$ 227,605	556,913
	=====	=====

(7) ADJUSTMENTS

In the opinion of the Managing General Partner, all adjustments (consisting solely of normal recurring adjustments) necessary for a fair presentation have been made to the accompanying figures as of March 31, 1994 and for the three months ended March 31, 1994 and 1993.

PART I. FINANCIAL INFORMATION

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

LIQUIDITY AND CAPITAL RESOURCES

All references to "Notes" are to Notes to Consolidated Financial Statements contained in this report.

At March 31, 1994, the Partnership and its consolidated venture had cash and cash equivalents of approximately \$467,000. Such funds and short-term investments of approximately \$2,754,000 are available for distributions to partners and for working capital requirements including tenant and capital improvements, to the extent not funded from future operations, and any payments to the Animas Venture Partner should the property be disposed of as discussed below. The Partnership and its consolidated venture have currently budgeted in 1994 approximately \$6,763,000 for tenant improvements and other capital expenditures. The Partnership's share of such items and its share of such similar items for its unconsolidated ventures in 1994 is currently budgeted to be approximately \$4,776,000. Actual amounts expended in 1994 may vary depending on a number of factors including actual leasing activity, results of property operations, liquidity considerations and other market conditions over the course of the year. The source of capital for such items and for both short-term and long-term future liquidity and distributions is expected to be through net cash generated by the Partnership's investment properties and through the sale of such investments. The Partnership's and its ventures' mortgage obligations are all non-recourse. Therefore, the Partnership and its ventures are not obligated to pay mortgage indebtedness unless the related property produces sufficient net cash flow from operations or sale.

Overall cash flow returns at Broad Street for the next few years are expected to be lower than originally projected because an additional 13% of the leased and occupied expires during the next two years. In addition, a

tenant, occupying approximately 37,000 square feet (approximately 15% of the building), did not renew its lease when it expired in September 1993. However, subtenants occupying approximately 21,000 square feet whose leases also expired in September 1993 have held over while Broad Street continues to negotiate leases with them. Furthermore, Broad Street has renewed and expanded another tenant, effective July 1, 1993, whose lease was scheduled to expire in December 1994. This tenant has expanded from approximately 18,000 square feet to approximately 35,000 square feet at a market effective rental rate which is lower than its existing lease. The Partnership will continue its aggressive leasing program; however, the downtown New York City market remains extremely competitive due to the significant amount of space available primarily resulting from the layoffs, cutbacks and consolidations by financial service companies and related businesses which dominated this market. In addition to competition for tenants in the downtown Manhattan market from other buildings in the area, there is increasing competition from less expensive alternatives to Manhattan. Rental rates in the downtown market are currently at depressed levels and this can be expected to continue for the foreseeable future while the current vacant space is gradually absorbed. Little, if any new construction is planned for downtown over the next few years and it is expected that the building will continue to be adversely affected by the lower than originally expected effective rental rates achieved upon releasing of existing leases which expire over the next few years.

In 1993, the Partnership completed the renovation at the Collin Creek Mall's food court and main floor common area, added escalators at two locations, and upgraded the mall's interior and exterior signage. The total cost of these enhancement programs was approximately \$4,400,000. In addition, in 1994, the Partnership will commence a parking lot repair project which will take five years to complete and cost approximately \$1,300,000. The work scheduled to be incurred in 1994 has been included in the budgeted improvement costs described above. The total five-year project cost will be partially recoverable from tenants pursuant to provisions in their leases. The Partnership is currently seeking a refinancing of the mortgage note in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the Partnership will obtain a refinancing of the mortgage note which matures in July 1995.

The Partnership continues to explore the replacement of a major tenant at the North Hills Mall which owns its own store, with another major tenant and/or adding another major tenant to the center. The major tenant, which is currently using only the first level of its two-story store, has expressed an interest in closing its store. In order to replace the major tenant with another and/or add another major tenant, the Partnership may need to commit substantial capital. Given the Partnership's current lack of substantial working capital, the Partnership may be unable to undertake the replacement and/or addition of the major tenant(s) without an outside source of capital. The Partnership is exploring its alternatives in this regard. However, there can be no assurance that such replacement and/or addition will ultimately occur. In 1993, the Partnership completed a mall enhancement program at the North Hills Mall which included the replacement of the floor in a portion of the mall, a food court remodel, and certain lighting improvements. The program cost was approximately \$1,000,000. In addition, the Partnership is in the second year of a five year program to repair the property's roof and parking lot. The total cost of the repair is expected to be approximately \$1,500,000. The work scheduled to be incurred in 1994 has been included in the budgeted improvement costs described above. The total five-year costs will be partially recoverable from tenants pursuant to provisions in their leases.

The Partnership is currently seeking a refinancing of the mortgage loan on North Hills Mall in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the Partnership will obtain a refinancing of the mortgage note which matures in July 1995. In February 1994, the Partnership sold its sole remaining outparcel piece of land to an unaffiliated third party. The purchaser intends to build a restaurant on the site. The sale price for the outparcel was \$700,000 (before selling costs and prorations). The Partnership has retained the net sale proceeds in its working capital.

The Partnership continues to explore the possibility of adding another major department store to the Pasadena Town Square. In order to add another department store at this center, the Partnership may need to commit a substantial amount of capital. Given the Partnership's current lack of substantial working capital, the Partnership may be unable to undertake the addition of a department store without an alternative source of capital. The Partnership has commenced discussions with a major department store owner concerning the opening of a store at the property. There is no assurance that

the addition of a department store will ultimately occur. In 1993, the Partnership commenced a minor mall enhancement program which includes a food court remodel. The program is expected to cost approximately \$500,000 with completion during 1994. In addition, commencing in 1994 and continuing for the next four years, the Partnership is undertaking a program to repair the property's roof and parking lot. The total cost of the repair work is expected to be approximately \$1,700,000. The work scheduled to be incurred in 1994 has been included in the budgeted improvement costs described above. The total five-year project cost will be partially recoverable from tenants pursuant to provisions in their leases. The Partnership is currently seeking a refinancing of the mortgage loan on Pasadena Town Square in order to obtain a lower interest rate and to provide additional funds to the Partnership. However, there is no assurance that the Partnership will obtain a refinancing of the mortgage note which matures in January 1995.

Regarding Animas Valley Mall, the Partnership commenced an action against the venture partner seeking a declaration that the joint venture partner had forfeited its interest in the joint venture, dissolution of the joint venture, and continuation of the joint venture's business by the Partnership. In addition, the joint venture partner, in turn, filed in February, 1991 a counterclaim lawsuit against the Partnership and the affiliated property manager alleging breaches of the joint venture agreement and mismanagement of the property. In April 1992, the Partnership and the joint venture partner settled their respective legal claims. Under the terms of the settlement, the unaffiliated venture partner has contributed approximately \$404,000 to the joint venture and relinquished its approval rights in connection with the business affairs of the joint venture. The unaffiliated venture partner has retained certain approval rights in connection with a sale or refinancing of the property. The Partnership, in return, has agreed to pay the unaffiliated venture partner a certain settlement amount in connection with the disposition of the property. Such disposition payment, \$300,000 at March 31, 1994, decreases annually on January 1 to \$92,000 in 1996 and thereafter. Under certain limited disposition events, the disposition payment amount can be further reduced or eliminated.

In April 1992, the Partnership had finalized a modification of the existing long-term mortgage note secured by the Animas Valley Mall. Under the terms of the modification, the joint venture, commencing with the January 1991 payment, was obligated to pay debt service of interest only installments at a rate of 10.25% per annum, through the original term of the note, with the deferred interest (2.25%) accruing at 12.5% and payable monthly to the extent of any excess cash flow (as defined) or upon the earlier of the sale of the property or maturity of the note in January 1994. The joint venture has paid debt service in 1991, 1992, 1993 and through February 1994 in accordance with these modified terms. Subsequent to the end of the quarter, the joint venture and the existing lender finalized an amendment to the loan (effective March 1, 1994) providing for the extension of the maturity to March 1995 and lowering the pay and accrual rate on the principal balance to 8% per annum. Any excess cash flow generated by the property during this period is payable to the lender quarterly towards the accrued interest at December 31, 1993 (approximately \$2,100,000). In addition, the joint venture has agreed to market this property for sale during the extension period. The lender has agreed to allow the joint venture to retain a portion of the net sale proceeds (as defined) in excess of the current principal balance of the loan of \$27,000,000. In addition, the lender has expressed a willingness to finance a portion of the purchase price for a potential purchaser. There are no assurances that the joint venture will be successful in selling the property at a level whereby it will share in any sale proceeds. The Partnership has decided not to commit additional capital to the joint venture. Therefore, if upon maturity, assuming a sale cannot be achieved and the lender is unwilling to provide further extensions to the loan, the joint venture will transfer title to the property to the lender. This would result in the Partnership recognizing a gain for Federal income tax and financial reporting purposes with no distributable proceeds. In addition, a disposition through a sale to a third party or transfer of title to the lender would result in a disposition payment to the joint venture partners as discussed above.

In December 1993, the Partnership sold an outparcel of land at the Animas Valley Mall to an unaffiliated third party. The purchaser intends to build a bank on the site. The sale price for the outparcel was approximately \$194,000 (before selling costs and prorations). The Partnership has retained the net sale proceeds as working capital.

Occupancy of the Royal Executive Park I office building decreased to 78% from 97% in the previous year. As anticipated, during the fourth quarter of 1993 New York Telephone Company's lease (90,000 square feet) expired and it, along with certain of its subtenants, vacated the building. MCI Realty Inc.

(180,000 square feet), which had been subleasing a portion of the New York Telephone space, entered into a direct lease with the joint venture for 30,000 square feet. The lease term is coterminous with the remainder of its space and provides for an effective rental rate at market, which is substantially less than the rental rate paid previously by New York Telephone. The joint venture continues to actively market the remaining New York Telephone Company space to prospective tenants. As previously reported, MCI had approached the joint venture seeking a current rent reduction in return for a lease extension beyond its current lease expiration date of March 31, 1998 on its existing 180,000 square foot lease. The joint venture and MCI continue to negotiate the terms of a possible modification and extension. However, there can be no assurance that a modification or extension will be executed on economic terms acceptable to the venture. The Southern Westchester County office market (the competitive market for the building) is extremely competitive with a current vacancy rate of 19%. While office building development in this market is virtually at a standstill, significant improvement in the competitive market conditions is not expected for several years. The competitive market conditions have resulted in lower than originally anticipated effective rental rates that can be achieved and high releasing costs that will be incurred in conjunction with releasing space which expires. Consequently, the property cash flow will be significantly reduced as a result of the lease expiration and subsequent move-out of New York Telephone. In addition, the property cash flow will be adversely affected by the increased vacancy.

There are certain risks associated with the Partnership's investments made through joint ventures including the possibility that the Partnership's joint venture partners in an investment might become unable or unwilling to fulfill their financial or other obligations, or that such joint venture partners may have economic or business interests or goals that are inconsistent with those of the Partnership.

Though the economy has recently shown signs of improvement and financing is generally becoming more available for certain types of higher-quality properties in healthy markets, real estate lenders are typically requiring a lower loan-to-value ratio for mortgage financing than in the past. This has made it difficult for owners to refinance real estate assets at their current debt levels unless the value of the underlying property has appreciated significantly. As a consequence, and due to the weakness of some of the local real estate markets in which the Partnership's properties operate, the Partnership is taking steps to preserve its working capital including the reduction in regular quarterly distributions to partners as described above. Therefore, the Partnership is carefully scrutinizing the appropriateness of any discretionary expenditures, particularly in relation to the amount of working capital it has available. By conserving working capital, the Partnership will be in a better position to meet future needs of its properties without having to rely on external financing sources.

#### RESULTS OF OPERATIONS

The aggregate reduction in cash and cash equivalents and short-term investments, and related increase in buildings and improvements at March 31, 1994 as compared to December 31, 1993 is primarily due to the Partnership's use of funds for renovations at certain of the Partnership's investment properties as discussed above.

The increase in rents and other receivables as of March 31, 1994 as compared to December 31, 1993 is primarily due to the timing of rental receipts at certain of the Partnership's properties.

The decrease in the balance of prepaid expenses at March 31, 1994 as compared to December 31, 1993 is primarily due to the timing of payment of insurance premiums at certain of the Partnership's investment properties.

The increase in escrow deposits at March 31, 1994 as compared to December 31, 1993 is primarily due to the timing of payment of real estate taxes from escrow deposits at Animas Valley Mall. See Note 3(b).

The increase in accrued rents receivable at March 31, 1994 as compared to December 31, 1993 is primarily due to the Partnership accruing prorated rental income on a straight-line basis at certain of the Partnership's investment properties.

The increase in current portion of long-term debt and the corresponding decrease in long-term debt less current portion at March 31, 1994 as compared to December 31, 1993 is primarily due to the reclassification of the \$14,487,631 mortgage note scheduled to mature January 1995 at the Pasadena Town Square investment property. See discussion above and in Note 2(a).



The decrease in accounts payable at March 31, 1994 as compared to December 31, 1993 is primarily due to the timing of payment of expenses at certain of the Partnership's investment properties.

The decrease in accrued interest at March 31, 1994 as compared to December 31, 1993 and the related decrease in mortgage and other interest for the three months ended March 31, 1994 as compared to the same period in 1993 is primarily due to the amended debt agreement at the Animas Valley Mall investment property. See Note 3(b).

The decrease in accrued real estate taxes at March 31, 1994 as compared to December 31, 1993 is primarily due to the timing of real estate tax payments at certain of the Partnership's investment properties.

The increase in rental income for the three months ended March 31, 1994 as compared to the three months ended March 31, 1993 is primarily the result of increased occupancy at the North Hills Mall.

The decrease in interest income for the three months ended March 31, 1994 as compared to the same period in 1993 is primarily due to the decrease in the Partnership's average balance in U.S. Government obligations in 1994 as discussed above and lower average return on such investments.

Property operating expenses increased in the three months ended March 31, 1994 as compared to the same period in 1993 primarily due to higher repairs and maintenance expenses at certain of the Partnership's investment properties which are partially recoverable from tenants.

The decrease in Partnership's share of operations of unconsolidated ventures for the three months ended March 31, 1994 as compared to the same period in 1993 is due primarily to the decrease in occupancy at the Royal Executive Park investment property.

The gain of \$571,428 on disposition of investment property during 1994 is the result of the outparcel sale at the North Hills Mall as more fully described in Note 2(c).

<TABLE>

PART II. OTHER INFORMATION

ITEM 5. OTHER INFORMATION

OCCUPANCY

The following is a listing of approximate occupancy levels by quarter for the Partnership's investment properties.

<CAPTION>

	1993				1994			
	At 3/31	At 6/30	At 9/30	At 12/31	At 3/31	At 6/30	At 9/30	At 12/31
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
1. North Hills Mall North Richland Hills, Texas (a)	92%	91%	95%	99%	95%			
2. Pasadena Town Square Pasadena, Texas	85%	85%	85%	85%	84%			
3. Collin Creek Mall Plano, Texas	92%	94%	93%	96%	92%			
4. Animas Valley Mall Farmington, New Mexico	90%	90%	90%	90%	90%			
5. Royal Executive Park Ryebrook, New York (b)	97%	97%	97%	78%	78%			
6. 40 Broad Street New York, New York	82%	82%	67%	79%	80%			

<FN>

(a) The occupancy has been restated for the first quarter 1993 to reflect occupancy by temporary tenants which were not previously included. Occupancy without the temporary tenants is 84%



at June 30, 1993, 86% at September 30, 1993, 88% at December 31, 1993 and 87% at March 31, 1994.

(b) A major tenant has vacated a major portion of its space; however, the tenant continued to pay rent pursuant to the terms of the lease until expiration in October 1993. Therefore, the rent paying occupancy remained at 100% until October 1993.

</TABLE>

ITEM 6. EXHIBIT AND REPORTS ON FORM 8-K

Response:

(a) Exhibits:

4-A. Document relating to the mortgage loan secured by the Collin Creek Mall in Plano, Texas is hereby incorporated by reference to the Partnership's report for December 31, 1992 on Form 10-K (File No. 0-12432) dated March 19, 1993.

4-B. Document relating to the mortgage loan secured by the Pasadena Town Square shopping center in Pasadena, Texas is hereby incorporated by reference to the Partnership's report for December 31, 1992 on Form 10-K (File No. 0-12432) dated March 19, 1993.

4-C. Modification document relating to the mortgage loan secured by the Animas Valley Mall in Farmington, New Mexico is hereby incorporated by reference to the Partnership's report for December 31, 1992 on Form 10-K (File No. 0-12432) dated March 19, 1993.

10-A. Acquisition documents relating to the purchase by the Partnership of an interest in the 40 Broad Street office building in New York, New York are hereby incorporated by reference to the Partnership's report on Form 8-K (File No. 0-12432) dated December 31, 1985.

10-B. Acquisition documents relating to the purchase by the Partnership of an interest in the Royal Executive Park office complex in Ryebrook, New York are hereby incorporated by reference to the Partnership's report on Form 8-K (File No. 0-12432) dated December 30, 1983.

10-C. Acquisition documents relating to the purchase by the Partnership of the Collin Creek Mall in Plano, Texas are hereby incorporated by reference to the Partnership's Registration Statement on Post-Effective Amendment No. 2 to Form S-11 (File No. 2-83599) dated June 29, 1983.

10-D. Acquisition documents relating to the purchase by the Partnership of the North Hills Mall in North Richland Hills, Texas are hereby incorporated by reference to the Partnership's Registration Statement on Post-Effective Amendment No. 2 to Form S-11 (File No. 2-83599) dated June 29, 1983.

10-E. Acquisition documents relating to the purchase by the Partnership of the Pasadena Town Square shopping center in Pasadena, Texas are hereby incorporated by reference to the Partnership's Registration Statement on Post-Effective Amendment No. 2 to Form S-11 (File No. 2-83599) dated June 29, 1983.

10-F. Acquisition documents including the venture agreement relating to the purchase by the Partnership of an interest in the Animas Valley Mall in Farmington, New Mexico are hereby incorporated by reference to the Partnership's Registration Statement on Post-Effective Amendment No. 2 to Form S-11 (File No. 2-83599) dated June 29, 1983.

10-G. Sale documents relating to the outparcel sale at the Animas Valley Mall in Farmington, New Mexico are hereby incorporated by reference to the Partnerships report for December 31, 1993 on Form 10-K (File No. 0-12432) dated March 25, 1994.

10-H. Sale documents relating to the outparcel sale at the North Hills Mall in North Richard Hills, Texas are hereby incorporated by reference to the Partnership's report for December 31, 1993 on Form 10-K (File No. 0-12432) dated March 25, 1994.

(b) No reports on Form 8-K have been filed for the quarter covered by this report.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

JMB INCOME PROPERTIES, LTD. - X

BY: JMB Realty Corporation  
(Managing General Partner)

By: GAILEN J. HULL  
Gailen J. Hull, Senior Vice President  
Date:May 11, 1994

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following person in the capacity and on the date indicated.

GAILEN J. HULL  
Gailen J. Hull, Principal Accounting Officer  
Date:May 11, 1994