

OCT 30 2018

AUSTIN HOUSING FINANCE CORPORATION
Application for Financing for Homeownership Projects**NHCD / AHFC**

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2016-17 Action Plan goals and policy direction from the Austin City Council.

Project Name: Croslin Court Condo Conversion**Project Address:** 300 E Croslin St. Austin, TX 78752**City Council District Number:** 4**Census Tract Number:** 20790378104224**Total # units in project:** 21**Total # units to be assisted with AHFC Funding:** 21**Project type:** ☐ Acquisition ☐ Rehabilitation ☒ Acquisition & Rehabilitation ☐ New construction**Amount of funds requested:** \$538,355 **Terms Requested:** 99-year, subordinated 0% forgivable loan**Role of applicant in Project (check all that apply):** ☒ Owner ☐ Developer ☐ Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

JESE Real Estate
Name7606 Bellflower CV
Street AddressAustin, TX 78759
City**State, Zip**917.575.2219
Telephone #Russell Artman
Contact Person(917) 575-2219
Contact Telephone #russell.artman@gmail.com
E-mail addressPending. Entity to be formed.
DUNS Number (Required)Pending. Entity to be formed.
Federal Tax ID Number

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. **Unsigned/undated submissions will not be considered.**

Russell Artman
Legal Name of Developer/Entity
Signature of Authorized OfficerOctober 9, 2018
DateDirector
Title

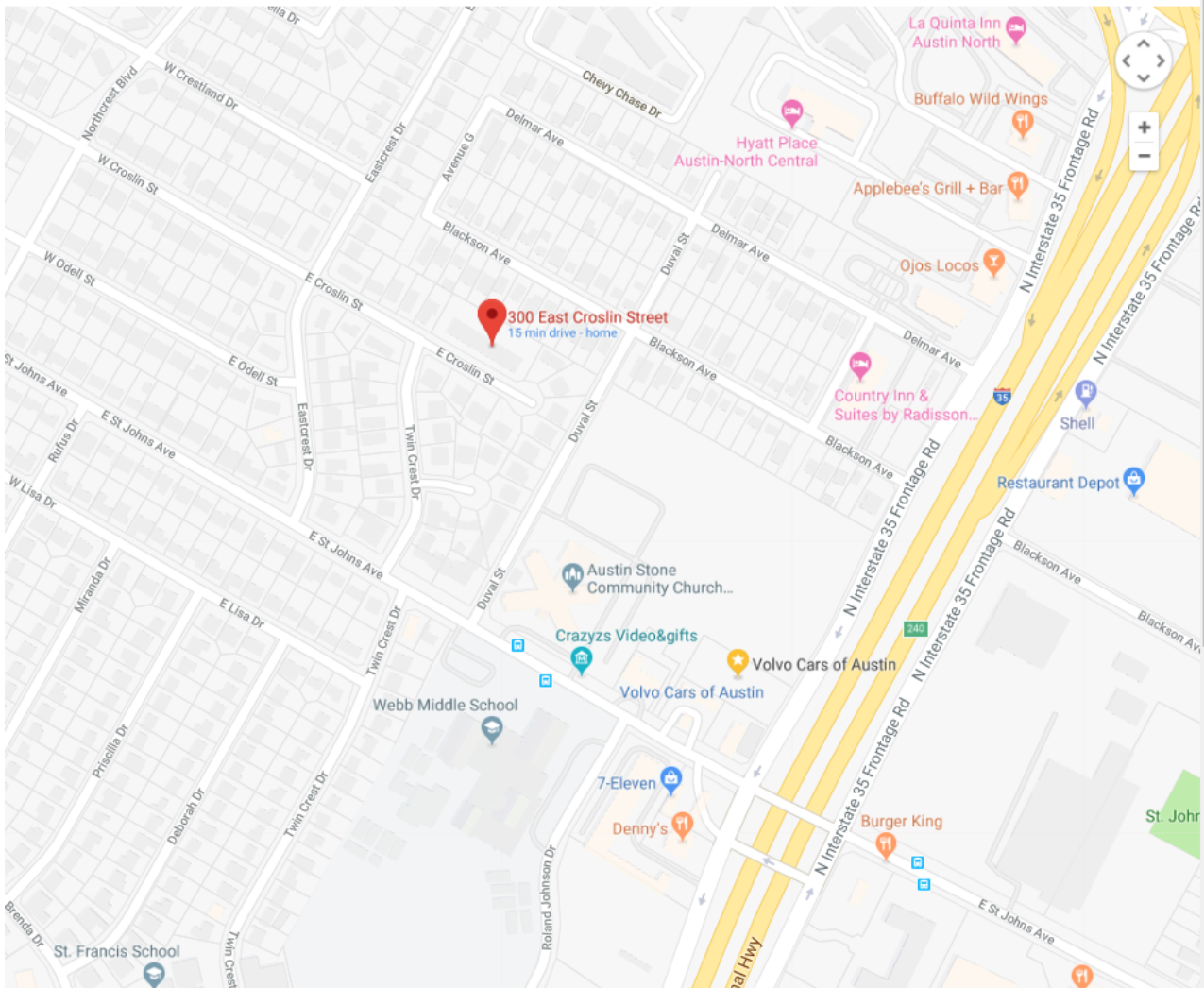
2. **A. Non-profit applicants/developers, attached copies of the following:**
1. A "certificate of status" issued by the Texas Secretary of State.
 2. Federal IRS certification granting non-profit tax-exempt status.
 3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
 4. Board resolution approving the proposed project and authorizing the request for funding
- B. For-profit applicants/developers, attach copies of the following:**
1. For Corporations, Limited Partnerships, and Limited Liability Companies, a copy of a "certificate of status" issued by the Texas Secretary of State.
 2. A current financial statement
 3. Proof of sufficient reserves or a line of credit available, if necessary, in order to complete the proposed project.

JESE LLC will be formed shortly. The attorney will be filing the necessary paperwork and documents will be shared as soon as they are available.

Please see Appendix 1 for the attached loan commitment for the proof of funds necessary to complete the project.

In addition, both principals submitted Personal Financial Statements to demonstrate financial capacity in Appendix 2 for Russell Artman and Appendix 3 for Stephen Levine.

3. **Project Description** – Provide a brief project description that addresses items "A" through "G" below.
- a. Indicate the location by providing an area map with the property highlighted.



FEMA Flood Map is also attached in Appendix 4 for your reference.

- b. *Summarize the key financials of the project, clearly indicating total project cost, the amount and intended use of all AHFC funds requested, the amount(s) and provider(s) of other funding and the status of those commitments.*

300 East Croslin St (Croslin Court) is 20-unit, garden-style, class C property which will be converted into affordable housing condominiums in compliance with AHFC guidelines. A studio will be added by repurposing unused space to add a 21st unit.

Purchase contract has been attached to this application in Appendix 5.

Existing tenants will be approached to purchase their existing units or any other units at Croslin Court that are not already occupied or under contract. Methods of outreach will include at minimum:

- Mailing flyers directly to all tenants at least 3 times.
- Knocking on the door at least twice during reasonable hours when tenants would likely be at home.
- Posting marketing fliers in public spaces including: laundry facility, mailboxes, and front doors announcing the availability of purchasing units.
- Hosting at least two on-site lunch events with food and beverages provided free to educate the tenants on the benefits of home ownership and opportunity to purchase. A licensed mortgage broker will be on-site for at least one of these events.

- Any additional methods as suggested by AHFC.

On November 4, 2018, the mortgage broker will host a meeting to provide the following services at no cost:

- Educate the tenants on how to apply for a mortgage.
- Help tenants apply and get qualified for a variety of financing options including: conventional, FHA, and VA.
- Educate buyers on down payment assistance programs and facilitate applying for these programs.
- Provide additional marketing and supporting efforts as appropriate.

The mortgage broker will also sponsor the site and pay the filing fees for Croslin Court to be an approved FHA site.

Key Financials

Purchase Price \$ 2,410,000

Project Expenses

Interior Upgrades	\$ 425,880	
External Upgrades	\$ 205,440	
Purchase Closing Costs	\$ 72,300	
Professional Services	\$ 50,000	
Selling Closing Costs	\$ 50,775	
Commissions	\$ 152,325	
Interest Expense	\$ 289,200	
Travel (1 partner is in NJ)	\$ 10,000	
Total Project Expenses		\$ 1,255,920

Total Project Costs \$ 3,665,920

Financing

First Mortgage – HouseMax	\$ 1,807,500
Second Mortgage - Principals	\$ 150,000
Equity from Principals	\$ 602,500
Fourth Mortgage (third if closing is with the initial closing)	\$ 538,355

First mortgage application was approved by HouseMax pending final underwriting and appraisal. The second mortgage, if necessary, will be additional funds from the principals until AHFC funds can be provided and secured in the third position since the existing third mortgage will be paid off with AHFC funds.

AHFC funds will be used for the following activities:

- Acquisition of 20 unit complex
- Adding a studio apartment using the existing structures
- Repairing deferred maintenance items as identified by some preliminary conversations with tenants and seller:
 - Cockroach infestation
 - Rodent infestation
 - Main plumbing line backups
 - Addressing electrical issues such as load mismatches for circuit breakers and electrical panels, dual hots for standard 110v outlet, and non-functioning or non-existent GFCIs
 - Fixing non-functioning laundry facility
 - Improving availability and frequency of trash

- Professional fees tied to condominium conversion
- Painting inside and out as appropriate
- Replacing non-functional appliances, kitchen cabinets, counters, vanities, plumbing fixtures, and electrical fixtures.
- Replacing windows and window sills as appropriate
- Replacing/fixing HVAC equipment
- Fixing flooring and tiling
- Fixing ventilation in bathrooms
- Ensuring adequate exterior lighting at night
- Landscaping
- Ensuring compliance with smoke and carbon monoxide detectors plus appropriate fire building codes
- Additional items as identified in the professional inspections (home inspection, plumbing, electrical, HVAC, roof, and pest)

- c. *Indicate the type of structure(s) (i.e., single-family detached, etc.), the number of units, the number of bedrooms and bathrooms in each type or style of unit, and the size of the units in square feet.*

Croslin Court is an existing complex with one building with 20 units and a separate building with a laundry facility and large storage unit. The large storage unit will be converted into a studio.

Quantity	# of Bedrooms	# of Bathrooms	Style	Square Footage
1	Studio	1	Separate building with common laundry on shared wall. There is a separate entrance.	~400. Exact square footage to be determined by appraiser's measurements and surveyor.
4	1	1	Garden-Style Townhome	852
14	2	1.5	Garden-Style Townhome	1,024
2	3	2	Garden-Style Townhome	1,150

- d. *Indicate the expected sales price for each type or style of unit.*

Style	Planned Sales Price
Studio	\$100,000
1	\$145,000
2	\$165,000
3	\$200,000

- e. *List the income levels of proposed homebuyers expressed in terms of the percent of Median Family Income for the Austin-Round Rock MSA.*

80% of MFI for all units except for both three-bedrooms and two of the two-bedrooms.

- f. *If there are existing structures, provide documentation from the taxing authority or other third-party source indicating the year the structure was built.*

1970. See attached document from Travis County Appraisal District.

- g. Demonstrate the development's compatibility with current Neighborhood Plan (if applicable).

Our vision aligns well with overall vision as defined in the St. John's Neighborhood Plan including:

- Improved quality of life in the community while respecting the history of the neighborhood
- Transportation options that allow residents to move easily and efficiently throughout the community
- Services and amenities that accommodate the diverse needs of SJCH residents
- Land use patterns that respect existing neighborhood character

- Environmental amenities, such as parks and tree canopy, which enhance the beauty of the community and provide recreational opportunities
- Opportunities for physical recreation through additional parkland and an improved pedestrian and bicycle environment

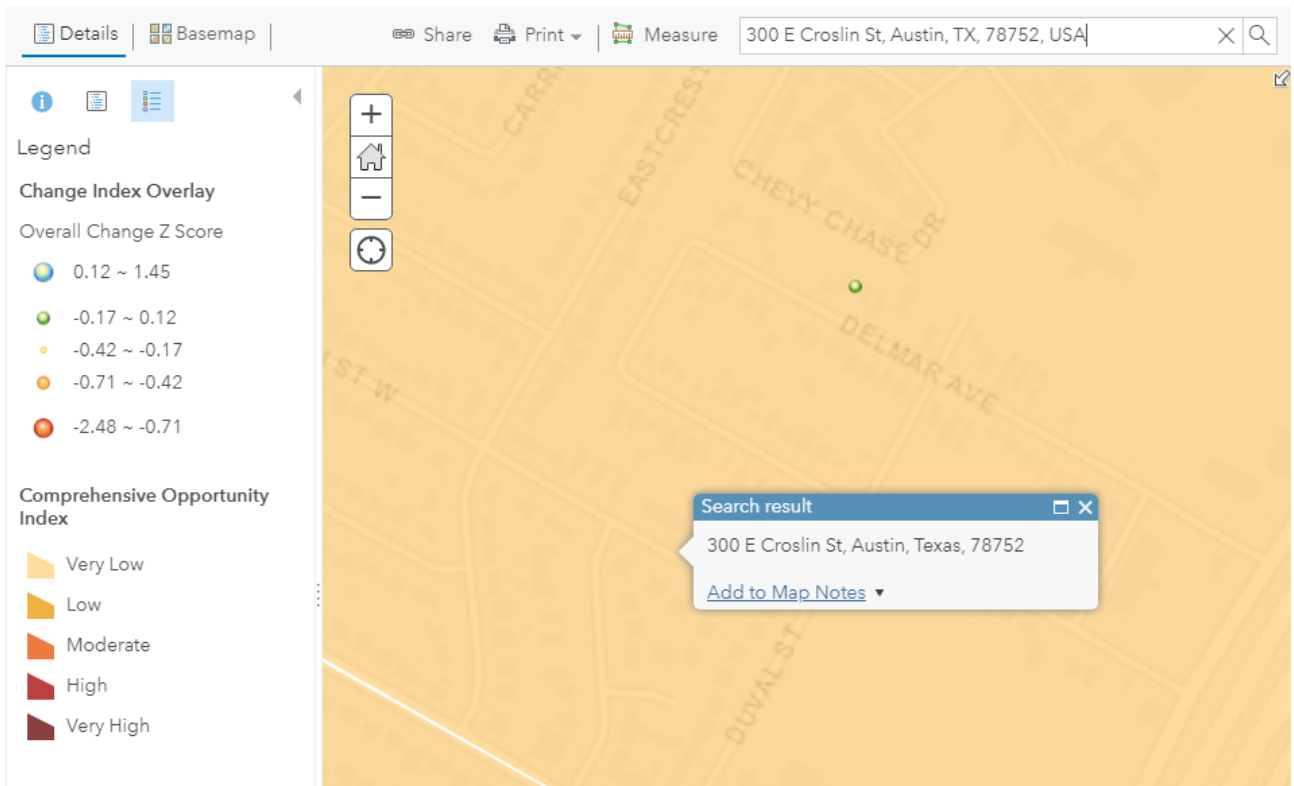
After preliminary discussions with tenants, our priorities include: preventing crime, preserving the existing zoning/land-use, updating landscaping, and creating a sense of community. Some of our plans came out of those discussions and build on the concepts in the Neighborhood Plan such as:

- Providing affordable housing units for 99 years.
- Correcting deferred maintenance on existing sidewalks
- Hosting events to promote a sense a community as the project is re-launched such as:
 - Lunches
 - Neighborhood cleanups
 - Block parties
 - Seasonal events
- Soliciting feedback from current residents to change the name of the site from "Croslin Court" to "Campbell Townhomes." This change would potentially honor the cultural history of the neighborhood as St John Regular Baptist Association's leader, Dr. L. L. Campbell, purchased the St John neighborhood in 1894.
- Improving security by:
 - Working with local property owners to share costs of a neighborhood security patrol
 - Adding security cameras
 - Upgrading exterior lighting
- Engaging with TreeFolks to plant trees and solicit their landscaping ideas including:
 - Participating in free tree enhancement program
 - Using NeighborWoods to acquire and plant trees in the front yard and side yard
 - Invite TreeFolks speaker presentations for the community to receive tree education
- Additional landscaping plans include:
 - Trimming existing, native trees
 - Xeriscaping where appropriate, to conserve natural resources while enhancing the beauty of the property
 - Form a 'green team' to plan community clean-ups and green-ups to enhance and beautify the area
- Connecting with other property owners to jointly improve the landscaping and litter on properties on Croslin Street. This will include an initial cleanup that will be paid by this project.
- Installing covered picnic seating
- Installing a bike rack
- Marketing to veterans to provide affordable housing for our troops.

Please attach the following to the description of the above items.

h. Locate on the "Opportunity Map of Austin" the census tract in which the property lies. The map is attached to the Program Guidelines.

Census Tract Number: 20790378104224



4. Site Control and Demonstration of Value

Include evidence of site control such as a warranty deed or a current, receipted earnest, and provide a real estate appraisal that is no older than six months and that uses 3 or more comparables, or current tax documentation that substantiates the value of the project.

Please find the attached receipted purchase contract in Appendix 5. An appraisal will be performed as part of the loan and will be shared as soon as it is available.

5. Zoning

Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. If the project is approved for funding, appropriate zoning must be in place prior to execution of loan documents.

No change in zoning is necessary since the property is currently zoned for this purpose. See attachment from TCAD.

6. S.M.A.R.T. Housing™

Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing requirements.

We are working with Sandra Harkins. Sandra and James May are coordinating approval efforts with Russell to ensure project meets or exceeds S.M.A.R.T. Housing requirements.

7. Development Team and Capacity.

Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (**MBE/WBE**), or if any of the entities are also **non-profit** organizations.

Please also provide narrative information about the skills you or your development team members have in the following areas:

- a. project management,
- b. market analysis,
- c. site selection and control,
- d. planning and construction,
- e. design, architecture and engineering,
- f. legal and accounting, and
- g. federal funding rules.

	Development Team Name(s) and Contact Information	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)
Owner	JESE Real Estate with two principals: Russell Artman 917.575.2219 russell.artman@gmail.com Stephen Levine 516.319.8353 slevine10@gmail.com		
Developer	Hogan & Associates Vernon Hogan 314.323.9897 Hogan2002@gmail.com	X	
Architect	Erin Kant 512.567.7449 erinskant@gmail.com		
Engineer	Jeff Tucker 512.255.7477 jeff@tuckerengineering.net		
Construction Lender	HouseMax Funding Dominic Montoya 512.579.7366 dmontoya@housemaxusa.com		
Other Lenders	N/A		
Attorney	Savrick, Schumann, Johnson, McGarr, Kaminski & Shirley, L.L.P. Adam C. Leiber 512.347.1604 adam@ssjmlaw.com		
Accountant			
General Contractor	Hogan & Associates Vernon Hogan 314.323.9897 Hogan2002@gmail.com	X	
Consultant (if Applicable)	N/A		
Other:			

Russell Artman was a certified Project Management Professional certified by the Project Management Institute. He has managed more than 40 real estate projects with budgets up to \$1,300,000. Russell is also a licensed Texas Real Estate Broker who has extensive real estate investment experience. He has performed comparative market analysis in California and Texas in the residential space. He selects and manages real estate investments for himself and closely supervises the design, planning, construction, design, architecture, engineers, legal, and accounting teams.

Russell has worked with all the above development team members on projects in Austin within the last two years.

Please see the following attached files for additional developer experience and relevant background in Austin, TX for Russell Artman.

Type	Appendix	Description
Overall Developer Background		
	Appendix 7: Austin Renovation Experience	History of last 7 projects in Austin by Russell Artman doing business as Open Book Real Estate
	Appendix 8: Russell Artman Resume	Resume for Russell Artman
Project Details		
4012 Austin Woods Dr, Austin TX 78759 – Purchased and Sold in 2018		
	Appendix 9: Austin Woods Acquisition	HUD 1 for acquisition of property
	Appendix 10: Austin Woods Disposition	HUD 1 for disposition of property
	Appendix 11: Austin Woods After Pictures Only - Not Previously on MLS	Pictures of work as published in the MLS
8400 Emerald Hill Dr, Austin, TX 78759 – Purchased in 2016 and Sold in 2017		
	Appendix 12: Emerald Hill Acquisition	HUD 1 for acquisition of property
	Appendix 13: Emerald Disposition	HUD 1 for disposition of property
	Appendix 14: Emerald Before & After Pictures	Pictures of work before and after as published in the MLS
3802 Green Trails North, Austin, TX 78731 – Purchased in 2016 and Sold in 2017		
	Appendix 15: Green Trails Acquisition	HUD 1 for acquisition of property
	Appendix 16: Green Trails Disposition	HUD 1 for disposition of property
	Appendix 17: Green Trails Before & After Pictures	Pictures of work before and after as published in the MLS
7105 Mesa Dr, Austin, TX 78759 – Purchased in 2017 and Sold in 2018		
	Appendix 18: Mesa Acquisition	HUD 1 for acquisition of property
	Appendix 19: Mesa Disposition	HUD 1 for disposition of property
	Appendix 20: Mesa Before & After Pictures	Pictures of work before and after as published in the MLS
3917 Rockledge Dr, Austin, TX 78731 – Purchased and Sold in 2017		
	Appendix 21: Rockledge Acquisition	HUD 1 for acquisition of property
	Appendix 22: Rockledge Before & After Pictures	Pictures of work before and after as published in the MLS
	Appendix 23: Rockledge Disposition	HUD 1 for disposition of property
8502 Walhill Cove, Austin, TX 78731 – Purchased in 2017 and Sold in 2018		
	Appendix 24: Walhill Acquisition	HUD 1 for acquisition of property
	Appendix 25: Walhill Disposition	HUD 1 for disposition of property
	Appendix 26: Walhill Before & After Pictures	Pictures of work before and after as published in the MLS
4400 Waterford Pl, Austin, TX 78731 – Purchased in 2018 and Planned Sale in 2019		
	Appendix 27: Waterford Acquisition	HUD 1 for acquisition of property
	Appendix 28: Waterford Appraisal	Renovation is in-progress. Appraisal is attached demonstrating value.
	Appendix 29: Waterford Before Pictures Only - Work Is In-Progress	Pictures of work before as published in the MLS. Work is on-going and only before pictures are available.

Stephen Levine has been a professional investor since 1999 having worked in senior asset management positions at Credit Suisse, Deutsche Bank, Barclays Capital, and currently, as Vice

President at Goldman Sachs. In his career, Steve has directed >\$10bn in fixed income and equity investments, managed a \$1.3bn commercial paper portfolio, and member of PM team for a \$25bn high-yield / high-grade bond fund.

Stephen has carefully selected the lender and will be managing the finances and compliance rules throughout the project.

Certifications as an MBE will be provided shortly.

- 8. Development Schedule.** Complete the grid below. Re-order the steps according to the appropriate sequence for your project, and add in any other significant steps integral to your project's development. If the development schedule differs across several properties to be involved in the project, provide a development schedule for each property. Please be as precise as possible, narrowing dates by 15 day intervals.

	DATE(S)
Environmental and/or historic review (AHFC)	TBD by Sandra Harkins
Marketing and Sales Start	10/20/18
Construction Bids	11/5/18
Construction Specifications and Cost estimates	12/1/18
Securing and packaging project financing	12/3/18
Acquisition and/or holding	12/18/18
Construction Start	12/18/18
Anticipated Draws (list all)	12/18/18 1/17/19 2/16/19 4/17/19
Completion of Construction	2/16/19 for studio
Project Completion (i.e., all homes conveyed to low to moderate income buyers)	12/18/19

The development schedule will be based on expiration dates of the current tenant leases. We will abide by any applicable Austin tenant relocation policies. All leases will be honored in their entirety and tenants will be notified of the site plans prior to their lease expiration with sufficient time to plan for alternative housing if they choose not to purchase any available unit. Existing residents will have the initial right to purchase any available unit including their own.

Prior to closing on December 18, 2018, we expect the existing four vacant units to remain vacant and an additional 3 units to have their leases expire or go to month-to-month tenancy. We do not have control over any lease renewals or expirations prior to closing. However, we will reach out to all tenants as listed in our community outreach plan in Section 3b notifying them of the plan to purchase a condominium at this site. Please see table below for the breakdown of the individual units.

Unit	Lease Expiration
101	Vacant
102	Month-to-Month
103	7/31/2019
104	12/31/2018
105	7/31/2019
106	6/30/2019
107	12/10/2018
108	9/30/2019
109	2/28/2019
110	7/31/2019

111	Vacant
112	7/31/2019
113	Vacant
114	11/30/2018
115	5/31/2019
116	8/31/2019
117	10/31/2018
118	2/28/2019
119	7/31/2019
120	Vacant
121	Studio to be

Immediately after closing, two interior remodeling crews will start and work simultaneously. Hogan & Associates estimates that each unit will take 1-2 weeks to renovate based on the current state of each unit. As units are pre-sold (prior to closing on December 18th), those residents will have priority to stay in one of the existing vacant units for free during the renovation. We will also take care to coordinate the needs of the month-to-month residents as appropriate. As the renovations are completed, the next set of tenants will be offered a free unit while the construction starts anew.

Please see Appendix 30 for a high-level project plan based on current lease expiration dates and construction timelines. Specific tenant moves were not included in this high-level plan but will be incorporated into subsequent plans per resident needs.

- 9. Developer Capacity.** Provide narrative information on recent, similar, and successful experience in affordable housing development. Narrative should include information about experience from project conception, execution, and completion. Include experience using multiple fund sources, marketing and sale of homes, and previous working history with the Austin Housing Finance Corporation.

Vernon Hogan has managed 500+ student housing units at Washington University in St. Louis, MO for 4 years. In addition to his firsthand knowledge of general contracting and construction, he ran more than 6 maintenance teams to address all manner of building maintenance and unit-specific needs including annual turnover.

Since 2017, Vernon Hogan has worked as a general contractor for Russell Artman at 4 residential properties in Austin. He was involved from architectural drawings, City of Austin permitting, and building and construction of residential housing all the way through to make-ready. He managed subcontractors in various areas including: plumbing, electric, roofing, and HVAC.

Russell Artman, principal in JESE LLC, has purchased and sold more 8 residential properties in Austin over the last 5 years. Russell has used financing from traditional mortgage banks such as Bank of America and Wells Fargo and private lending. Russell is a licensed Texas Real Estate Broker. Russell has experience working with buyers, sellers, and licensed real estate agents in Texas and California for more than 40 transactions.

Please review Russell's recent experience as listed in Section 7 and associated appendixes with before and after pictures. Many of the design concepts in those renovations will be used on this project specifically for the affordable housing units.

JESE LLC and Hogan & Associates are excited to work with the Austin Housing Finance Corporation for their first time. James May has been exceptionally helpful and we are very grateful for his generosity with his time and expertise.

- 10. Detailed Project Budget** - Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary to detail the specific funding being requested. Delineate all prior and currently requested A&D funding by individual line item.

DETAILED PROJECT BUDGET				
	Total Project Cost	Prior A&D Funds Used in Project	A&D Funds Being Requested	Description
PREDEVELOPMENT				
Appraisal				
Environmental Review				
Legal				
Survey	5,000		750	Survey for Plant
Architectural & Engineering	2,000		300	Studio design and permits
TOTAL PREDEVELOPMENT	7,000		1,050	
ACQUISITION				
Site and/or Land				
Structures	2,410,000		361,500	Purchase of existing building
Other (specify)				
TOTAL ACQUISITION	2,410,000		361,500	
CONSTRUCTION				
Infrastructure				
Site work				
Demolition				
Concrete				
Masonry	20,000		3,000	
Rough carpentry	26,800		4,020	
Finish carpentry	50,000		7,500	
Waterproofing & Insulation	5,000		750	
Roofing & Sheet Metal	20,000		3,000	
Plumbing/Hot Water	60,000		9,000	
HVAC / Mechanical	58,080		8,712	
Electrical	64,040		9,606	
Doors/Windows/Glass	40,000		6,000	
Lath & Plaster/ Drywall & Acoustical	5,000		750	
Tile work	51,800		7,770	
Soft & Hard Floor	43,600		6,540	
Paint/Decorating/Blinds/Shades	100,000		15,000	
Specialties/Special Equipment				
Cabinetry/Appliances	30,000		4,500	
Carpet				
Other (Please specify)				
Construction Contingency	50,000		7,500	
TOTAL CONSTRUCTION	624,320		93,648	
SOFT & CARRYING COSTS				
Legal	30,000		4,500	Condo conversion
Audit/Accounting	5,000		750	
Title/Recording	5,000		750	
Architectural (Inspections)	10,000		1,500	Inspections
Construction Interest	289,200		31,500	2 years interest
Construction Period Insurance				
Construction Period Taxes				
Relocation				
Marketing	150,000		22,500	Broker commissions
Davis-Bacon Monitoring				
Other: (closing costs)	137,716		20,657	Closing costs and travel
TOTAL PROJECT BUDGET	3,589,036		538,355	

11. Funds Proposal - Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** – Complete Tables A & B below, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment Acquisition, Construction, Soft Costs)
	Amount	Term	Interest Rate	Evidence (Deed, Sales Contract)	
Owner Equity	600,000			Sales Contract	Acquisition
Private Financing (List Below)					
HouseMax Funding	1,807,500	2	8.00%	Term Sheet	Acquisition
Second mortgage	150,000	2	N/A	Sales Contract	Acquisition & Const
Other Sources (List Below)					
Proposed AHFC Funds	538,355				Acquisition, Construction, & Soft Costs
TOTAL	3,095,855				

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment	7,000	333
Acquisition	2,410,000	114,762
Hard Costs	624,320	29,730
Soft & Carrying Costs	547,716	26,082
Other Costs		
Total Project Costs	3,589,036	170,906

- b. **Leveraging** – Complete Table C below. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE C: LEVERAGE SUMMARY	
TOTAL AHFC FUNDS	538,355
TOTAL OTHER FUNDS	2,557,819
LEVERAGE % – AHFC FUNDS	17%

TABLE D: AFFORDABILITY DATA

	Studio	One Bedroom	Two Bedroom	Three Bedroom
Number of Bedrooms	0	1	2	3
Square Footage	~400	852	1,024	1,150
Anticipated Sale Price	100,000	145,000	165,000	200,000
Borrower Contribution				
Homebuyer Subsidy Standard DPA (3.5% down payment)	3,500	5,075	5,775	7,000
Total Principal Amount of Mortgage	96,500	139,925	159,225	193,000
Anticipated Interest Rate	5.5%	5.5%	5.5%	5.5%
Monthly Principal Amount	268	389	442	536
Monthly Interest	280	406	462	560
Estimated Monthly Taxes	185	260	310	350
Estimated Monthly Insurance	10	15	20	25
TOTAL Estimated PITI	743	1,070	1,234	1,471

- 13. Partnership with Non-profit entities.** Include commitments from other non-profit organizations or a City of Austin-certified Community Housing Development Organization (CHDO) to partner on the project in some way.

N/A

- 14. Good Neighbor Policy.** Please refer to the City's Good Neighbor Guidelines and demonstrate compliance with the Good Neighbor Policy by completing the Good Neighbor Checklist and providing the documentation requested.

We have submitted the initial checklist for the Good Neighbor program in Appendix 31 for your reference. Appendix 32 has a copy of the initial letter we plan to send to the 150 neighboring property owners that we plan to send on November 20, 2018.

ATTENTION:

**Please submit with the Application a completed "self-evaluation"
using the following Scoring Criteria.**



Scoring Criteria Acquisition & Development Program

REQUIRED INFORMATION:

1. Applicant Information	<u>JESE LLC</u>	9. Developer Capacity	<u>Experienced</u>
2a. Non-profit List of Items or	_____	10. Project Budget	<u>\$3,581,320</u>
2b. For-profit List of Items		11. Funds Proposal:	
3. Project Description	<u>Condo Conversion</u>	a. Sources	<u>Completed</u>
4. Site Control/Value	<u>Purchase Contract</u>	b. Uses	<u>Completed</u>
5. Zoning	<u>MF3</u>	c. Leveraging	<u>Completed</u>
6. S.M.A.R.T. Housing	<u>Yes</u>	12. Good Neighbor Checklist	<u>Completed</u>
7. Development Team	<u>Hogan & Associates</u>		
8. Development Schedule	<u>6 Months</u>		

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **100** points out of a maximum score of **165** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

1. **DEVELOPER EXPERIENCE AND QUALIFICATIONS** (maximum 15 points) 5
 - 15 points:** Developer has recent, similar, and successful completion of a development **similar** in size and scope with income-restricted units.
 - 10 points:** Developer has recent, similar, and successful completion of a development **smaller** in size and scope with income-restricted units.
 - 8 points:** **Consultant** directly involved who has successfully completed a development similar in size and scope with income-restricted units.
 - 5 points:** Developer has recent, similar, and successful completion of a development similar in size and scope **without** income-restricted units

2. **SOURCES & USES OF FUNDS** (maximum 10 points) 10
 - 10 points:** All sources and uses of funds are clearly indicated and sufficient evidences of funding availability and/or commitments are included.
 - 5 points:** All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. **LEVERAGE** (maximum 10 points) 10

AHFC funding relative to Total Project Costs equals:

 - 10 points:** 25% or less
 - 8 points:** 26% - 30%
 - 6 points:** 31% - 35%
 - 4 points:** 36% - 50%
 - 2 points:** 51% - 54%
 - 0 points:** 55% or greater

4. **AFFORDABLE UNITS** (maximum 25 points)

25

If the development has a mix of units at different income levels, add the results for the percentage of units in each income category up to the maximum of 25 points. If the project has a percentage of units in a given income category that is not an exact multiple of ten as shown in the chart, please round up to the next multiple of 10 and use that point value.

	% of Affordable Units in Project (only include units for 80% MFI or below)									
<u>% of MFI</u>	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
80%	0	5	7	10	12	15	17	20	22	25
65%	5	7	10	12	15	17	20	22	25	
60%	7	10	12	15	17	20	22	25		
50%	10	12	15	17	20	22	25			
30%	12	15	17	20	22	25				

5. **AVERAGE INVESTMENT PER UNIT** (maximum 20 points)

20

Please note that there is a 20-unit structure and a single-unit structure that will be used for the studio so we are counting the single unit structure for the studio and the multi-unit structure for the existing 20 units.

	<u>Single-Unit Structures</u>	<u>Multi-Unit Structures</u>
10 points	<\$40,000/unit	<\$25,000/unit
8 points	<\$50,000/unit	<\$30,000/unit
6 points	<\$60,000/unit	<\$40,000/unit
4 points	<\$70,000/unit	<\$50,000/unit
2 points	<\$80,000/unit	<\$60,000/unit
0 points	>\$80,000/unit	>\$60,000/unit

6. **AFFORDABILITY PERIOD** (maximum 25 points)

25

25 Points: Affordability of project is for 99-years or project is in a Community Land Trust.

20 Points: Affordability period of less than 99 years but enforced through "re-sale" provisions, i.e., home must be re-sold to low- to moderate-income buyer during the affordability period.

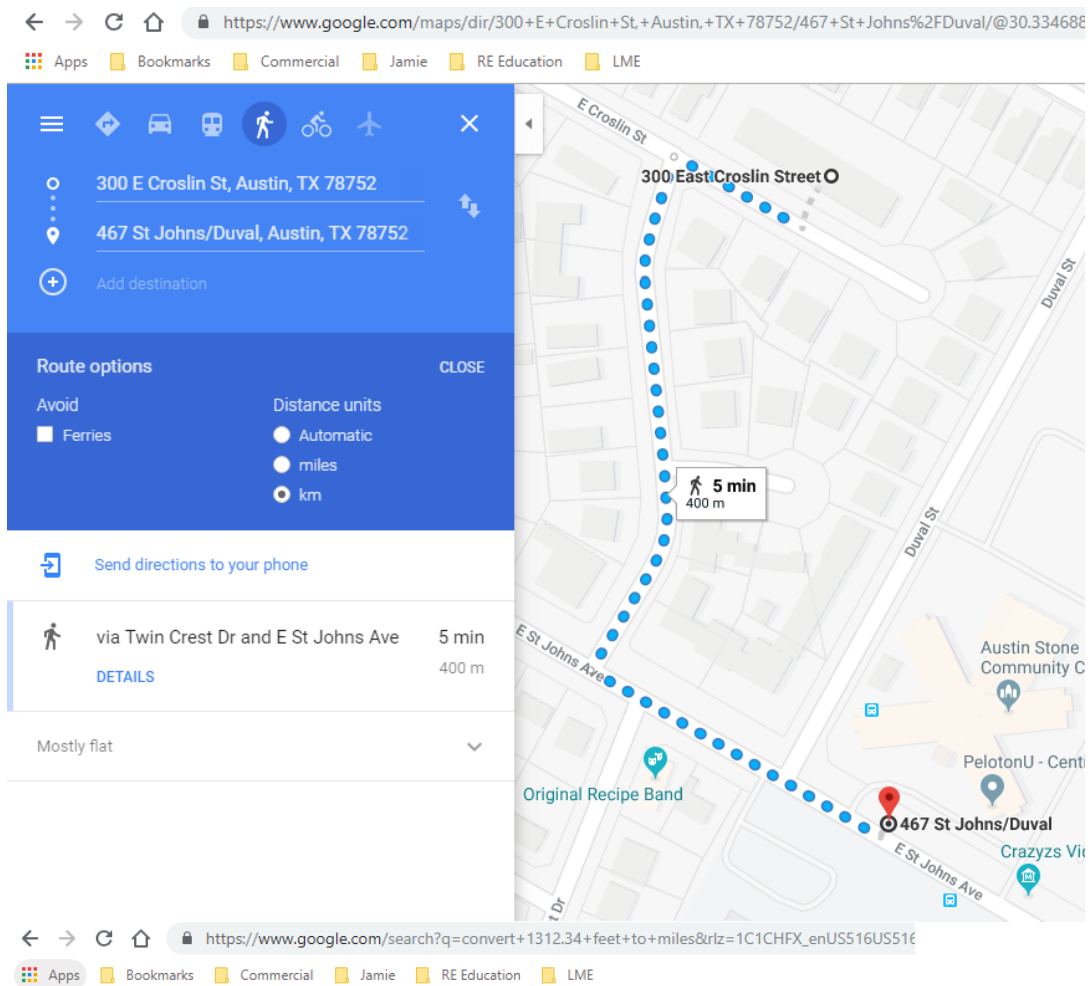
7. **PRIORITY LOCATION** (10 points)

10

10 points: Housing is

- _____ located in a Vertical Mixed-Use (VMU) Corridor, or
 _____ a Planned-Unit Development (PUD), or
 _____ located within a Transit-Oriented Development (TOD) area, or
X _____ located 0.25 miles (1,320 feet) or less from a transit stop

Please note that Google Maps defaults to units to Miles in the US and rounds up from .2485 miles to .3 miles. This is a bug in Google's calculations. Below is Google's calculation of the distance in meters (400m) and provided the Google conversion from meters to miles (divide by 1609.344) which is .248548 miles. Screenshots are provided below.



8. **ACCESSIBILITY AND HOUSING FOR PERSONS WITH DISABILITIES** (20 points) 0

20 points: Applicant has a program in place to facilitate ownership opportunities for persons with disabilities, or has an existing written agreement with an organization (non-profit or for-profit) specifically to help facilitate ownership opportunities for persons with disabilities.

9. **GEOGRAPHIC DISPERSION** (maximum 25 points) 5

Project is located in an area identified according to the Kirwan Institute's Comprehensive Opportunity Map of Austin as having greater opportunity for low-income households.

25 points: Very High
20 points: High

15 points: Moderate
10 points: Low
5 points: Very Low

10. **PROJECT READINESS** (maximum 10 points)

New construction

2 points each; maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines.
_____ The property is already owned by the developer.
_____ The project has completed all necessary design work and received site plan approval.
_____ All environmental reviews have been completed.
_____ The project has firm commitments from **all** financing sources.

Acquisition and Rehab

6

2 points each; maximum 10 points

- 2 _____ The project meets the normal eligibility requirements under the existing program guidelines
_____ All environmental reviews have been completed.
_____ The project has firm commitments from all financing sources.
2 _____ A General Contractor has been selected.
2 _____ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each (round up to nearest whole number); maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines
_____ All environmental reviews have been completed.
_____ The project has firm commitments from all financing sources.
_____ Closing on the acquisition of the property can be achieved in less than 30 days.

11. **MBE/WBE PROJECT PARTICIPATION** (5 points)

5

5 points: Development team includes registered City of Austin minority or women-owned business enterprises (M/WBE).

Hogan & Associates' application as a MBE is pending with the City of Austin. Please see Appendix 33 for a copy of the submitted application.

TOTAL SCORE

121

Appendix 1:

Loan Commitment



HOUSEMAX

PRE-APPROVAL LETTER

10/25/2018

This Commitment Letter is being issued by HouseMax Funding for the following Purchase transaction:

Prospective Applicant: JESE Real Estate - Russel Artman & Stephen Levine

Address: 300 East Croslin St.
Austin, TX 78752

HouseMax Funding has received an Application and reviewed a credit report that included the applicant's credit score. The prospective applicant has provided information on income, cash for down payment, debts, and assets. Based on the information that the Prospective applicant has provided HouseMax Funding, HouseMax Funding has determined that the Prospective Applicant is eligible and qualified to meet the financial requirements of the Loan. Furthermore, we have reviewed JESE Real Estate financial statements and sources of funding and find that they are enough to complete the project. The Prospective Applicant has been approved under the following program:

Product Type	Purchase Loan
Product term:	36-Month Term
Property Type:	Multi Family
Loan Amount:	\$2,800,000

This is not an approval for the Loan. Final approval is subject to the following:

- 1) Satisfactory appraisal
- 2) Subject to final verifications including funds to close with no substantial change in credit or employment status

If you have any questions, please call me directly at (512) 579-7366.

Sincerely,

Dominic Montoya
HouseMax Funding
(512) 579-7366

HouseMax Funding • 5901 Old Fredericksburg Rd #D101 • Austin, TX 78749 • (877) 933-3863

Appendix 4: FEMA Flood Map

FEMA Flood Map Service Center: Search By Address

Navigation

Search

Languages

[MSC Home \(/portal/\)](#)

[MSC Search by Address \(/portal/search\)](#)

[MSC Search All Products \(/portal/advanceSearch\)](#)

▼ [MSC Products and Tools \(/portal/resources/productsandtools\)](#)

[Hazus \(/portal/resources/hazus\)](#)

[LOMC Batch Files \(/portal/resources/lomc\)](#)

[Product Availability \(/portal/productAvailability\)](#)

[MSC Frequently Asked Questions \(FAQs\) \(/portal/resources/faq\)](#)

[MSC Email Subscriptions \(/portal/subscriptionHome\)](#)

[Contact MSC Help \(/portal/resources/contact\)](#)

Enter an address, place, or coordinates: ?

300 e croslin st, austin, tx

Search

Whether you are in a high risk zone or not, you may need [flood insurance \(https://www.fema.gov/national-flood-insurance-program\)](https://www.fema.gov/national-flood-insurance-program) because most homeowners insurance doesn't cover flood damage. If you live in an area with low or moderate flood risk, you are 5 times more likely to experience flood than a fire in your home over the next 30 years. For many, a National Flood Insurance Program's flood insurance policy could cost less than \$400 per year. Call your insurance agent today and protect what you've built.

Learn more about [steps you can take \(https://www.fema.gov/what-mitigation\)](https://www.fema.gov/what-mitigation) to reduce the risk flood damage.

Search Results—Products for AUSTIN, CITY OF

[Show ALL Products » \(https://msc.fema.gov/portal/availabilitySearch?addcommunity=480624&communityName=AUST\)](#)

The flood map for the selected area is number **48453C0455J**, effective on **01/06/2016** ?

DYNAMIC MAP



MAP IMAGE



[_ \(https://msc.fema.gov/portal/downloadProduct?](https://msc.fema.gov/portal/downloadProduct?filepath=/48/P/Firm/48453C0455J.tif&productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&p)

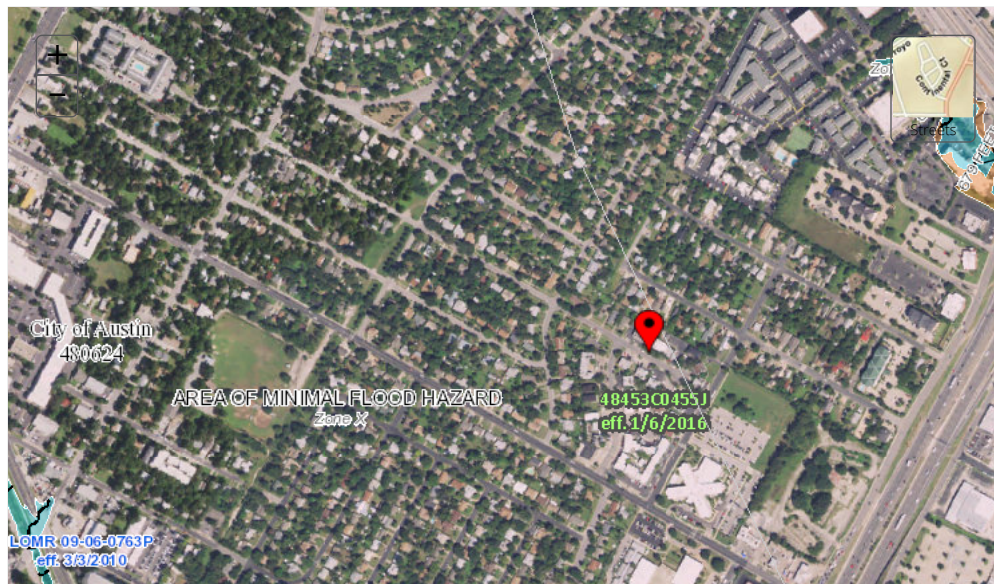
[filepath=/48/P/Firm/48453C0455J.tif&productTypeID=FINAL_PRODUCT&productSubTypeID=FIRM_PANEL&p](#)

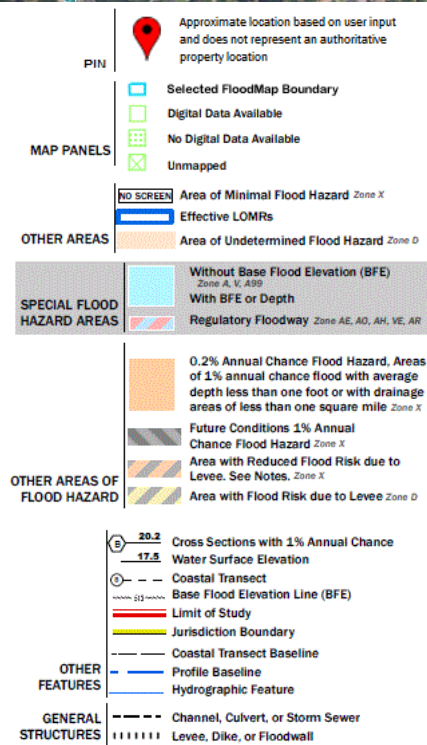
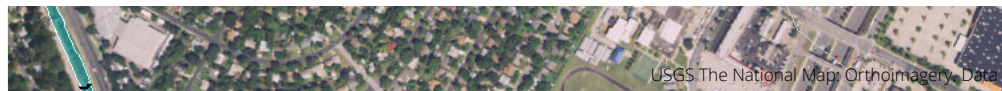
Changes to this FIRM ?

- Revisions (0)
- Amendments (10)
- Revalidations (1)

You can choose a new flood map or move the location pin by selecting a different location on the locator map below or by entering a new location in the search field above. It may take a minute or more during peak hours to generate a dynamic FIRMette.

[Go To NFHL Viewer » \(https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d\)](https://hazards-fema.maps.arcgis.com/apps/webappviewer/index.html?id=8b0adb51996444d)





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[Home \(/www.fema.gov/\)](http://www.fema.gov/) [Download Plug-ins \(/www.fema.gov/download-plug-ins\)](http://www.fema.gov/download-plug-ins) [About Us \(/www.fema.gov/about-agency\)](http://www.fema.gov/about-agency) [Privacy Policy \(/www.fema.gov/privacy-policy\)](http://www.fema.gov/privacy-policy) [FOIA \(/www.fema.gov/foia\)](http://www.fema.gov/foia) [Office of the Inspector General \(/www.oig.dhs.gov/\)](http://www.oig.dhs.gov/) [Strategic Plan \(/www.fema.gov/fema-strategic-plan\)](http://www.fema.gov/fema-strategic-plan) [Whitehouse.gov \(/www.whitehouse.gov\)](http://www.whitehouse.gov/) [DHS.gov \(/www.dhs.gov\)](http://www.dhs.gov) [Ready.gov \(/www.ready.gov\)](http://www.ready.gov) [USA.gov \(/www.usa.gov\)](http://www.usa.gov) [DisasterAssistance.gov \(/www.disasterassistance.gov/\)](http://www.disasterassistance.gov)



[L\(https://www.oig.dhs.gov/hotline\)](https://www.oig.dhs.gov/hotline)

Official website of the Department of Homeland Security

Appendix 5:

Purchase Contract – Executed and Receipted



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT - IMPROVED PROPERTY

USE OF THIS FORM BY PERSONS WHO ARE NOT MEMBERS OF THE TEXAS ASSOCIATION OF REALTORS® IS NOT AUTHORIZED.
 ©Texas Association of REALTORS®, Inc. 2018

1. **PARTIES:** Seller agrees to sell and convey to Buyer the Property described in Paragraph 2. Buyer agrees to buy the Property from Seller for the sales price stated in Paragraph 3. The parties to this contract are:

Seller: **Brian Claypool**

Address: **1180 Linda Vista Ave, Pasadena, CA 91103-2362**

Phone: **(626)664-9489**

E-mail: **brian@claypoollawfirm.com**

Fax:

Other:

Buyer: **JESE Real Estate**

Address: **37 George St, Harrington Park, NJ 07640-1411**

Phone:

E-mail: **steve.jesellc@gmail.com**

Fax:

Other:

2. **PROPERTY:**

- A. "Property" means that real property situated in **Travis** County, Texas at **300 E. Croslin Street, Austin, TX 78752** (address) and that is legally described on the attached Exhibit _____ or as follows:
LOT A HAMPTON PLACE

- B. Seller will sell and convey the Property together with:

- (1) all buildings, improvements, and fixtures;
- (2) all rights, privileges, and appurtenances pertaining to the Property, including Seller's right, title, and interest in any minerals, utilities, adjacent streets, alleys, strips, gores, and rights-of-way;
- (3) Seller's interest in all leases, rents, and security deposits for all or part of the Property;
- (4) Seller's interest in all licenses and permits related to the Property;
- (5) Seller's interest in all third party warranties or guaranties, if transferable, relating to the Property or any fixtures;
- (6) Seller's interest in any trade names, if transferable, used in connection with the Property; and
- (7) all Seller's tangible personal property located on the Property that is used in connection with the Property's operations except: _____

Any personal property not included in the sale must be removed by Seller prior to closing.

(Describe any exceptions, reservations, or restrictions in Paragraph 12 or an addendum.)

(If mineral rights are to be reserved an appropriate addendum should be attached.)

(If the Property is a condominium, attach Commercial Contract Condominium Addendum (TAR-1930) or (TAR-1946).)

3. **SALES PRICE:** At or before closing, Buyer will pay the following sales price for the Property:

A. Cash portion payable by Buyer at closing \$ **602,500.00**

B. Sum of all financing described in Paragraph 4 \$ **1,807,500.00**

C. Sales price (sum of 3A and 3B) \$ **2,410,000.00**

(TAR-1801) 4-1-18

Initialed for Identification by Seller

BEC

and Buyer

SL

Page 1 of 14

300 E. Croslin Street, Austin, TX 78752

Commercial Contract - Improved Property concerning _____

4. FINANCING: Buyer will finance the portion of the sales price under Paragraph 3B as follows:

- ☒ A. **Third Party Financing:** One or more third party loans in the total amount of \$ 1,807,500.00. This contract:
- ☐ (1) is not contingent upon Buyer obtaining third party financing.
- ☒ (2) is contingent upon Buyer obtaining third party financing in accordance with the attached Commercial Contract Financing Addendum (TAR-1931).
- ☐ B. **Assumption:** In accordance with the attached Commercial Contract Financing Addendum (TAR-1931), Buyer will assume the existing promissory note secured by the Property, which balance at closing will be \$ _____.
- ☐ C. **Seller Financing:** The delivery of a promissory note and deed of trust from Buyer to Seller under the terms of the attached Commercial Contract Financing Addendum (TAR-1931) in the amount of \$ _____.

5. EARNEST MONEY:

- A. Not later than 3 days after the effective date, Buyer must deposit \$ \$50,000.00 as earnest money with **Midtown Independence Title** (title company) at 3009 North Lamar Blvd, Austin, TX 78705 (address) **Douglas Plummer** (closer). If Buyer fails to timely deposit the earnest money, Seller may terminate this contract or exercise any of Seller's other remedies under Paragraph 15 by providing written notice to Buyer before Buyer deposits the earnest money.
- B. Buyer will deposit an additional amount of \$ _____ with the title company to be made part of the earnest money on or before:
- ☐ (i) _____ days after Buyer's right to terminate under Paragraph 7B expires; or
- ☐ (ii) _____.
- Buyer will be in default if Buyer fails to deposit the additional amount required by this Paragraph 5B within 3 days after Seller notifies Buyer that Buyer has not timely deposited the additional amount.
- C. Buyer may instruct the title company to deposit the earnest money in an interest-bearing account at a federally insured financial institution and to credit any interest to Buyer.

6. TITLE POLICY, SURVEY, AND UCC SEARCH:

A. **Title Policy:**

- (1) Seller, at Seller's expense, will furnish Buyer an Owner's Policy of Title Insurance (the title policy) issued by any underwriter of the title company in the amount of the sales price, dated at or after closing, insuring Buyer against loss under the title policy, subject only to:
- (a) those title exceptions permitted by this contract or as may be approved by Buyer in writing; and
- (b) the standard printed exceptions contained in the promulgated form of title policy unless this contract provides otherwise.
- (2) The standard printed exception as to discrepancies, conflicts, or shortages in area and boundary lines, or any encroachments or protrusions, or any overlapping improvements:
- ☐ (a) will not be amended or deleted from the title policy.
- ☒ (b) will be amended to read "shortages in areas" at the expense of ☒ Buyer ☐ Seller.
- (3) Within _____ days after the effective date, Seller will furnish Buyer a commitment for title insurance (the commitment) including legible copies of recorded documents evidencing title exceptions. Seller authorizes the title company to deliver the commitment and related documents to Buyer at Buyer's address.

(TAR-1801) 4-1-18

Initialed for Identification by Seller

^{DS}
[RE]

and Buyer

[SL]

Page 2 of 14

Commercial Contract - Improved Property concerning 300 E. Croslin Street, Austin, TX 78752

(3) Buyer's failure to timely object or terminate under this Paragraph 6D is a waiver of Buyer's right to object except that Buyer will not waive the requirements in Schedule C of the commitment.

7. PROPERTY CONDITION:

A. Present Condition: Buyer accepts the Property in its present condition except that Seller, at Seller's expense, will complete the following before closing: See Special Provisions

B. Feasibility Period: Buyer may terminate this contract for any reason within 30 days after the effective date (feasibility period) by providing Seller written notice of termination.

(1) Independent Consideration. (Check only one box and insert amounts.)

☒ (a) If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer less \$ 200.00 that Seller will retain as independent consideration for Buyer's unrestricted right to terminate. Buyer has tendered the independent consideration to Seller upon payment of the amount specified in Paragraph 5A to the title company. The independent consideration is to be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(1) or if Buyer fails to deposit the earnest money, Buyer will not have the right to terminate under this Paragraph 7B.

☐ (b) Not later than 3 days after the effective date, Buyer must pay Seller \$ _____ as independent consideration for Buyer's right to terminate by tendering such amount to Seller or Seller's agent. If Buyer terminates under this Paragraph 7B, the earnest money will be refunded to Buyer and Seller will retain the independent consideration. The independent consideration will be credited to the sales price only upon closing of the sale. If no dollar amount is stated in this Paragraph 7B(2) or if Buyer fails to pay the independent consideration, Buyer will not have the right to terminate under this Paragraph 7B.

(2) Feasibility Period Extension: Prior to the expiration of the initial feasibility period, Buyer may extend the feasibility period for a single period of an additional _____ days by depositing additional earnest money in the amount of \$ _____ with the title company. If no dollar amount is stated in this Paragraph or if Buyer fails to timely deposit the additional earnest money, the extension of the feasibility period will not be effective.

C. Inspections, Studies, or Assessments:

(1) During the feasibility period, Buyer, at Buyer's expense, may complete or cause to be completed any and all inspections, studies, or assessments of the Property (including all improvements and fixtures) desired by Buyer.

(2) Seller, at Seller's expense, will turn on all utilities necessary for Buyer to make inspections, studies, or assessments.

(3) Buyer must:

- (a) employ only trained and qualified inspectors and assessors;
- (b) notify Seller, in advance, of when the inspectors or assessors will be on the Property;
- (c) abide by any reasonable entry rules or requirements of Seller;
- (d) not interfere with existing operations or occupants of the Property; and
- (e) restore the Property to its original condition if altered due to inspections, studies, or assessments that Buyer completes or causes to be completed.

(4) Except for those matters that arise from the negligence of Seller or Seller's agents, Buyer is responsible for any claim, liability, encumbrance, cause of action, and expense resulting from

(TAR-1801) 4-1-18

Initialed for Identification by Seller DEC and Buyer SL

Page 4 of 14

Commercial Contract - Improved Property concerning

300 E. Croslin Street, Austin, TX 78752

Buyer's inspections, studies, or assessments, including any property damage or personal injury. Buyer will indemnify, hold harmless, and defend Seller and Seller's agents against any claim involving a matter for which Buyer is responsible under this paragraph. This paragraph survives termination of this contract.

D. Property Information:

(1) Delivery of Property Information: Within 7 days after the effective date, Seller will deliver to Buyer: *(Check all that apply.)*

- ☒ (a) a current rent roll of all leases affecting the Property certified by Seller as true and correct;
- ☒ (b) copies of all current leases, including any mineral leases, pertaining to the Property, including any modifications, supplements, or amendments to the leases;
- ☒ (c) a current inventory of all personal property to be conveyed under this contract and copies of any leases for such personal property;
- ☐ (d) copies of all notes and deeds of trust against the Property that Buyer will assume or that Seller will not pay in full on or before closing;
- ☒ (e) copies of all current service, utility, maintenance, and management agreements relating to the ownership and operation of the Property;
- ☐ (f) copies of current utility capacity letters from the Property's water and sewer service provider;
- ☒ (g) copies of all current warranties and guaranties relating to all or part of the Property;
- ☒ (h) copies of fire, hazard, liability, and other insurance policies that currently relate to the Property;
- ☒ (i) copies of all leasing or commission agreements that currently relate to the tenants of all or part of the Property; greater than \$500
- ☐ (j) a copy of the "as-built" plans and specifications and plat of the Property;
- ☒ (k) copies of all invoices for utilities and repairs incurred by Seller for the Property in the 24 months immediately preceding the effective date;
- ☒ (l) a copy of Seller's income and expense statement for the Property from January 2017 to September 2018;
- ☐ (m) copies of all previous environmental assessments, geotechnical reports, studies, or analyses made on or relating to the Property;
- ☒ (n) real and personal property tax statements for the Property for the previous 2 calendar years;
- ☐ (o) Tenant reconciliation statements including, operating expenses, insurance and taxes for the Property from _____ to _____; and
- ☒ (p) **All items listed above that are in Seller's possession and such other documents in Seller's possession as my reasonably be requested by Buyer in connection with its due diligence.**

(2) Return of Property Information: If this contract terminates for any reason, Buyer will, not later than 10 days after the termination date: *(Check all that apply.)*

- ☐ (a) return to Seller all those items described in Paragraph 7D(1) that Seller delivered to Buyer in other than an electronic format and all copies that Buyer made of those items;
- ☒ (b) delete or destroy all electronic versions of those items described in Paragraph 7D(1) that Seller delivered to Buyer or Buyer copied in any format; and
- ☒ (c) deliver to Seller copies of all inspection and assessment reports related to the Property that Buyer completed or caused to be completed.

This Paragraph 7D(2) survives termination of this contract.

E. Contracts Affecting Operations: Until closing, Seller: (1) will operate the Property in the same manner as on the effective date under reasonably prudent business standards; and (2) will not transfer or dispose of any part of the Property, any interest or right in the Property, or any of the personal property or other items described in Paragraph 2B or sold under this contract. After the feasibility period ends, Seller may not enter into, amend, or terminate any other contract that affects the operations of the Property without Buyer's written approval.

Commercial Contract - Improved Property concerning

300 E. Croslin Street, Austin, TX 78752

8. LEASES:

- A. Each written lease Seller is to assign to Buyer under this contract must be in full force and effect according to its terms. Seller may not enter into any new lease, fail to comply with any existing lease, or make any amendment or modification to any existing lease without Buyer's written consent. Seller must disclose, in writing, if any of the following exist at the time Seller provides the leases to the Buyer or subsequently occur before closing:
- (1) any failure by Seller to comply with Seller's obligations under the leases;
 - (2) any circumstances under any lease that entitle the tenant to terminate the lease or seek any offsets or damages;
 - (3) any non-occupancy of the leased premises by a tenant;
 - (4) any advance sums paid by a tenant under any lease;
 - (5) any concessions, bonuses, free rents, rebates, brokerage commissions, or other matters that affect any lease; and
 - (6) any amounts payable under the leases that have been assigned or encumbered, except as security for loan(s) assumed or taken subject to under this contract.
- B. ~~Estoppel Certificates: Within N/A days after the effective date, Seller will deliver to Buyer estoppel certificates signed not earlier than _____ by each tenant that leases space in the Property. The estoppel certificates must include the certifications contained in the current version of TAR Form 1938 - Commercial Tenant Estoppel Certificate and any additional information requested by a third party lender providing financing under Paragraph 4 if the third party lender requests such additional information at least 10 days prior to the earliest date that Seller may deliver the signed estoppel certificates.~~

9. BROKERS:

- A. The brokers to this sale are:

Principal Broker: Muskin Commercial, LLC

Cooperating Broker: Open Book Real Estate

Agent: Daniel Elam & Ellen Muskin

Agent: Russell Artman

Address: 4601 Spicewood Springs Rd.

Address: 7606 Bellflower Cove

Building 4, Suite 101

Austin, TX 78759

Phone & Fax: (512)343-2700

Phone & Fax: (971)575-2219

E-mail: daniel@muskincommercial.com

E-mail: russell.artman@gmail.com

License No.: 9000275

License No.: 9005282

Principal Broker: (Check only one box)

Cooperating Broker represents Buyer.

- ☒ represents Seller only.
☐ represents Buyer only.
☐ is an intermediary between Seller and Buyer.

- B. Fees: (Check only (1) or (2) below.)
 (Complete the Agreement Between Brokers on page 14 only if (1) is selected.)

- ☐ (1) Seller will pay Principal Broker the fee specified by separate written commission agreement between Principal Broker and Seller. Principal Broker will pay Cooperating Broker the fee specified in the Agreement Between Brokers found below the parties' signatures to this contract.

- ☒ (2) At the closing of this sale, Seller will pay:

(TAR-1801) 4-1-18

Initialed for Identification by Seller

^{DS}
DEC and Buyer SL

Page 6 of 14

Commercial Contract - Improved Property concerning 300 E. Croslin Street, Austin, TX 78752Principal Broker a total cash fee of:
☒ 2.000 % of the sales price.Cooperating Broker a total cash fee of:
☒ 2.000 % of the sales price.The cash fees will be paid in Travis County, Texas. Seller authorizes the title company to pay the brokers from the Seller's proceeds at closing.*NOTICE: Chapter 62, Texas Property Code, authorizes a broker to secure an earned commission with a lien against the Property.*

- C. The parties may not amend this Paragraph 9 without the written consent of the brokers affected by the amendment.

10. CLOSING:

- A. The date of the closing of the sale (closing date) will be on or before the later of:

(1) ☒ 30 days after the expiration of the feasibility period.

☐ _____ (specific date).

(2) 7 days after objections made under Paragraph 6D have been cured or waived.

- B. If either party fails to close by the closing date, the non-defaulting party may exercise the remedies in Paragraph 15.

- C. At closing, Seller will execute and deliver to Buyer, at Seller's expense, a ☐ general ☒ special warranty deed. The deed must include a vendor's lien if any part of the sales price is financed. The deed must convey good and indefeasible title to the Property and show no exceptions other than those permitted under Paragraph 6 or other provisions of this contract. Seller must convey the Property:

- (1) with no liens, assessments, or Uniform Commercial Code or other security interests against the Property which will not be satisfied out of the sales price, unless securing loans Buyer assumes;
- (2) without any assumed loans in default; and
- (3) with no persons in possession of any part of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases assigned to Buyer under this contract.

- D. At closing, Seller, at Seller's expense, will also deliver to Buyer:

- (1) tax statements showing no delinquent taxes on the Property;
- (2) a bill of sale with warranties to title conveying title, free and clear of all liens, to any personal property defined as part of the Property in Paragraph 2 or sold under this contract;
- (3) an assignment of all leases to or on the Property;
- (4) to the extent that the following items are assignable, an assignment to Buyer of the following items as they relate to the Property or its operations:
 - (a) licenses and permits;
 - (b) service, utility, maintenance, management, and other contracts; and
 - (c) warranties and guaranties;
- (5) a rent roll current on the day of the closing certified by Seller as true and correct;
- (6) evidence that the person executing this contract is legally capable and authorized to bind Seller;
- (7) an affidavit acceptable to the title company stating that Seller is not a foreign person or, if Seller is a foreign person, a written authorization for the title company to: (i) withhold from Seller's proceeds an amount sufficient to comply with applicable tax law; and (ii) deliver the amount to the Internal Revenue Service together with appropriate tax forms; and
- (8) any notices, statements, certificates, affidavits, releases, and other documents required by this contract, the commitment, or law necessary for the closing of the sale and the issuance of the title policy, all of which must be completed and executed by Seller as necessary.

- E. At closing, Buyer will:

(1) pay the sales price in good funds acceptable to the title company;

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- (2) deliver evidence that the person executing this contract is legally capable and authorized to bind Buyer;
- (3) sign and send to each tenant in the Property a written statement that:
 - (a) acknowledges Buyer has received and is responsible for the tenant's security deposit; and
 - (b) specifies the exact dollar amount of the security deposit;
- (4) sign an assumption of all leases then in effect; and
- (5) execute and deliver any notices, statements, certificates, or other documents required by this contract or law necessary to close the sale.

F. Unless the parties agree otherwise, the closing documents will be as found in the basic forms in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

11. POSSESSION: Seller will deliver possession of the Property to Buyer upon closing and funding of this sale in its present condition with any repairs Seller is obligated to complete under this contract, ordinary wear and tear excepted. Any possession by Buyer before closing or by Seller after closing that is not authorized by a separate written lease agreement is a landlord-tenant at sufferance relationship between the parties.

12. SPECIAL PROVISIONS: The following special provisions apply and will control in the event of a conflict with other provisions of this contract. *(If special provisions are contained in an Addendum, identify the Addendum here and reference the Addendum in Paragraph 22D.)*

- 1) Buyer acknowledges that property is being sold in its "As Is, Where Is" condition.
 - 2) Buyer's Broker is also a principal in buying entity.
 - 3) Buyer may extend closing date by 30 days one time with an additional \$25,000 of earnest money that will be applied to the purchase price.
 - 4) An extension confirms all contingencies have already been waived and earnest money is non-refundable.
 - 5) Closing extension notice must be given at least 5 business days prior to the closing date.
- Continued... See Addendum Special Provisions 1

13. SALES EXPENSES:

- A. Seller's Expenses: Seller will pay for the following at or before closing:
- (1) releases of existing liens, other than those liens assumed by Buyer, including prepayment penalties and recording fees;
 - (2) release of Seller's loan liability, if applicable;
 - (3) tax statements or certificates;
 - (4) preparation of the deed and any bill of sale;
 - (5) one-half of any escrow fee;
 - (6) costs to record any documents to cure title objections that Seller must cure; and
 - (7) other expenses that Seller will pay under other provisions of this contract.
- B. Buyer's Expenses: Buyer will pay for the following at or before closing:
- (1) all loan expenses and fees;
 - (2) preparation fees of any deed of trust;
 - (3) recording fees for the deed and any deed of trust;
 - (4) premiums for flood and hazard insurance as may be required by Buyer's lender;
 - (5) one-half of any escrow fee; and
 - (6) other expenses that Buyer will pay under other provisions of this contract.

14. PRORATIONS:

- A. Prorations:
- (1) Interest on any assumed loan, taxes, rents, and any expense reimbursements from tenants will be prorated through the closing date.

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- (2) If the amount of ad valorem taxes for the year in which the sale closes is not available on the closing date, taxes will be prorated on the basis of taxes assessed in the previous year. If the taxes for the year in which the sale closes vary from the amount prorated at closing, the parties will adjust the prorations when the tax statements for the year in which the sale closes become available. This Paragraph 14A(2) survives closing.
- (3) If Buyer assumes a loan or is taking the Property subject to an existing lien, Seller will transfer all reserve deposits held by the lender for the payment of taxes, insurance premiums, and other charges to Buyer at closing and Buyer will reimburse such amounts to Seller by an appropriate adjustment at closing.
- B. Rollback Taxes: If Seller's use or change in use of the Property before closing results in the assessment of additional taxes, penalties, or interest (assessments) for periods before closing, the assessments will be the obligation of Seller. If this sale or Buyer's use of the Property after closing results in additional assessments for periods before closing, the assessments will be the obligation of Buyer. This Paragraph 14B survives closing.
- C. Rent and Security Deposits: At closing, Seller will tender to Buyer all security deposits and the following advance payments received by Seller for periods after closing: prepaid expenses, advance rental payments, and other advance payments paid by tenants. Rents prorated to one party but received by the other party will be remitted by the recipient to the party to whom it was prorated within 5 days after the rent is received. This Paragraph 14C survives closing.

15. DEFAULT:

- A. If Buyer fails to comply with this contract, Buyer is in default and Seller, as Seller's sole remedy(ies), may terminate this contract and receive the earnest money, as liquidated damages for Buyer's failure except for any damages resulting from Buyer's inspections, studies or assessments in accordance with Paragraph 7C(4) which Seller may pursue, or
(Check if applicable)
☐ enforce specific performance, or seek such other relief as may be provided by law.
- B. If, without fault, Seller is unable within the time allowed to deliver the ~~estoppel certificates~~, survey or the commitment, Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) extend the time for performance up to 15 days and the closing will be extended as necessary.
- C. Except as provided in Paragraph 15B, if Seller fails to comply with this contract, Seller is in default and Buyer may:
- (1) terminate this contract and receive the earnest money, less any independent consideration under Paragraph 7B(1), as liquidated damages and as Buyer's sole remedy; or
 - (2) enforce specific performance, or seek such other relief as may be provided by law, or both.

16. CASUALTY LOSS AND CONDEMNATION:

- A. If any part of the Property is damaged or destroyed by fire or other casualty after the effective date, Seller must restore the Property to its previous condition as soon as reasonably possible and not later than the closing date. If, without fault, Seller is unable to do so, Buyer may:
- (1) terminate this contract and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer;
 - (2) extend the time for performance up to 15 days and closing will be extended as necessary; or
 - (3) accept at closing: (i) the Property in its damaged condition; (ii) an assignment of any insurance proceeds Seller is entitled to receive along with the insurer's consent to the assignment; and (iii) a credit to the sales price in the amount of any unpaid deductible under the policy for the loss.

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BEC

and Buyer

SL

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B. If before closing, condemnation proceedings are commenced against any part of the Property, Buyer may:

- (1) terminate this contract by providing written notice to Seller within 15 days after Buyer is advised of the condemnation proceedings and the earnest money, less any independent consideration under Paragraph 7B(1), will be refunded to Buyer; or
- (2) appear and defend the condemnation proceedings and any award will, at Buyer's election, belong to: (a) Seller and the sales price will be reduced by the same amount; or (b) Buyer and the sales price will not be reduced.

17. ATTORNEY'S FEES: If Buyer, Seller, any broker, or the title company is a prevailing party in any legal proceeding brought under or with relation to this contract or this transaction, such party is entitled to recover from the non-prevailing parties all costs of such proceeding and reasonable attorney's fees. This Paragraph 17 survives termination of this contract.

18. ESCROW:

- A. At closing, the earnest money will be applied first to any cash down payment, then to Buyer's closing costs, and any excess will be refunded to Buyer. If no closing occurs, the title company may require payment of unpaid expenses incurred on behalf of the parties and a written release of liability of the title company from all parties.
- B. If one party makes written demand for the earnest money, the title company will give notice of the demand by providing to the other party a copy of the demand. If the title company does not receive written objection to the demand from the other party within 15 days after the date the title company sent the demand to the other party, the title company may disburse the earnest money to the party making demand, reduced by the amount of unpaid expenses incurred on behalf of the party receiving the earnest money and the title company may pay the same to the creditors.
- C. The title company will deduct any independent consideration under Paragraph 7B(1) before disbursing any earnest money to Buyer and will pay the independent consideration to Seller.
- D. If the title company complies with this Paragraph 18, each party hereby releases the title company from all claims related to the disbursement of the earnest money.
- E. Notices under this Paragraph 18 must be sent by certified mail, return receipt requested. Notices to the title company are effective upon receipt by the title company.
- F. Any party who wrongfully fails or refuses to sign a release acceptable to the title company within 7 days after receipt of the request will be liable to the other party for: (i) damages; (ii) the earnest money; (iii) reasonable attorney's fees; and (iv) all costs of suit.
- G. ☒ Seller ☐ Buyer intend(s) to complete this transaction as a part of an exchange of like-kind properties in accordance with Section 1031 of the Internal Revenue Code, as amended. All expenses in connection with the contemplated exchange will be paid by the exchanging party. The other party will not incur any expense or liability with respect to the exchange. The parties agree to cooperate fully and in good faith to arrange and consummate the exchange so as to comply to the maximum extent feasible with the provisions of Section 1031 of the Internal Revenue Code. The other provisions of this contract will not be affected in the event the contemplated exchange fails to occur.

19. MATERIAL FACTS: To the best of Seller's knowledge and belief: *(Check only one box.)*

- ☐ A. Seller is not aware of any material defects to the Property except as stated in the attached Commercial Property Condition Statement (TAR-1408).
- ☒ B. Except as otherwise provided in this contract, Seller is not aware of:
 - (1) any subsurface: structures, pits, waste, springs, or improvements;
 - (2) any pending or threatened litigation, condemnation, or assessment affecting the Property;

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300 E. Croslin Street, Austin, TX 78752

- (3) any environmental hazards or conditions that materially affect the Property;
- (4) whether the Property is or has been used for the storage or disposal of hazardous materials or toxic waste, a dump site or landfill, or any underground tanks or containers;
- (5) whether radon, asbestos containing materials, urea-formaldehyde foam insulation, lead-based paint, toxic mold (to the extent that it adversely affects the health of ordinary occupants), or other pollutants or contaminants of any nature now exist or ever existed on the Property;
- (6) any wetlands, as defined by federal or state law or regulation, on the Property;
- (7) any threatened or endangered species or their habitat on the Property;
- (8) any present or past infestation of wood-destroying insects in the Property's improvements;
- (9) any contemplated material changes to the Property or surrounding area that would materially and detrimentally affect the ordinary use of the Property;
- (10) any material physical defects in the improvements on the Property; or
- (11) any condition on the Property that violates any law or ordinance.

(Describe any exceptions to (1)-(11) in Paragraph 12 or an addendum.)

20. NOTICES: All notices between the parties under this contract must be in writing and are effective when hand-delivered, mailed by certified mail return receipt requested, or sent by facsimile transmission to the parties addresses or facsimile numbers stated in Paragraph 1. The parties will send copies of any notices to the broker representing the party to whom the notices are sent.

- ☒ A. Seller also consents to receive any notices by e-mail at Seller's e-mail address stated in Paragraph 1.
- ☒ B. Buyer also consents to receive any notices by e-mail at Buyer's e-mail address stated in Paragraph 1.

21. DISPUTE RESOLUTION: The parties agree to negotiate in good faith in an effort to resolve any dispute related to this contract that may arise. If the dispute cannot be resolved by negotiation, the parties will submit the dispute to mediation before resorting to arbitration or litigation and will equally share the costs of a mutually acceptable mediator. This paragraph survives termination of this contract. This paragraph does not preclude a party from seeking equitable relief from a court of competent jurisdiction.

22. AGREEMENT OF THE PARTIES:

- A. This contract is binding on the parties, their heirs, executors, representatives, successors, and permitted assigns. This contract is to be construed in accordance with the laws of the State of Texas. If any term or condition of this contract shall be held to be invalid or unenforceable, the remainder of this contract shall not be affected thereby.
- B. This contract contains the entire agreement of the parties and may not be changed except in writing.
- C. If this contract is executed in a number of identical counterparts, each counterpart is an original and all counterparts, collectively, constitute one agreement.
- D. Addenda which are part of this contract are: *(Check all that apply.)*
 - ☐ (1) Property Description Exhibit identified in Paragraph 2;
 - ☐ (2) Commercial Contract Condominium Addendum (TAR-1930) or (TAR-1946);
 - ☒ (3) Commercial Contract Financing Addendum (TAR-1931);
 - ☐ (4) Commercial Property Condition Statement (TAR-1408);
 - ☐ (5) Commercial Contract Addendum for Special Provisions (TAR-1940);
 - ☒ (6) Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906);
 - ☐ (7) Notice to Purchaser of Real Property in a Water District (MUD);
 - ☐ (8) Addendum for Coastal Area Property (TAR-1915);
 - ☐ (9) Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916);
 - ☒ (10) Information About Brokerage Services (TAR-2501); and
 - ☐ (11) Information About Mineral Clauses in Contract Forms (TAR-2509); and
 - ☐ (12) _____

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DS
[Signature]

and Buyer

[Signature]

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(Note: Counsel for the Texas Association of REALTORS® (TAR) has determined that any of the foregoing addenda which are promulgated by the Texas Real Estate Commission (TREC) or published by TAR are appropriate for use with this form.)

E. Buyer ☒ may ☐ may not assign this contract. If Buyer assigns this contract, Buyer will be relieved of any future liability under this contract only if the assignee assumes, in writing, all of Buyer's obligations under this contract.

23. TIME: Time is of the essence in this contract. The parties require strict compliance with the times for performance. If the last day to perform under a provision of this contract falls on a Saturday, Sunday, or legal holiday, the time for performance is extended until the end of the next day which is not a Saturday, Sunday, or legal holiday.

24. EFFECTIVE DATE: The effective date of this contract for the purpose of performance of all obligations is the date the title company receives this contract after all parties execute this contract.

25. ADDITIONAL NOTICES:

- A. Buyer should have an abstract covering the Property examined by an attorney of Buyer's selection, or Buyer should be furnished with or obtain a title policy.
- B. If the Property is situated in a utility or other statutorily created district providing water, sewer, drainage, or flood control facilities and services, Chapter 49, Texas Water Code, requires Seller to deliver and Buyer to sign the statutory notice relating to the tax rate, bonded indebtedness, or standby fees of the district before final execution of this contract.
- C. Notice Required by §13.257, Water Code: "The real property, described below, that you are about to purchase may be located in a certificated water or sewer service area, which is authorized by law to provide water or sewer service to the properties in the certificated area. If your property is located in a certificated area there may be special costs or charges that you will be required to pay before you can receive water or sewer service. There may be a period required to construct lines or other facilities necessary to provide water or sewer service to your property. You are advised to determine if the property is in a certificated area and contact the utility service provider to determine the cost that you will be required to pay and the period, if any, that is required to provide water or sewer service to your property. The undersigned purchaser hereby acknowledges receipt of the foregoing notice at or before the execution of a binding contract for the purchase of the real property described in the notice or at closing of purchase of the real property." The real property is described in Paragraph 2 of this contract.
- D. If the Property adjoins or shares a common boundary with the tidally influenced submerged lands of the state, §33.135, Texas Natural Resources Code, requires a notice regarding coastal area property to be included as part of this contract (*the Addendum for Coastal Area Property (TAR-1915) may be used*).
- E. If the Property is located seaward of the Gulf Intracoastal Waterway, §61.025, Texas Natural Resources Code, requires a notice regarding the seaward location of the Property to be included as part of this contract (*the Addendum for Property Located Seaward of the Gulf Intracoastal Waterway (TAR-1916) may be used*).
- F. If the Property is located outside the limits of a municipality, the Property may now or later be included in the extra-territorial jurisdiction (ETJ) of a municipality and may now or later be subject to annexation by the municipality. Each municipality maintains a map that depicts its boundaries and ETJ. To determine if the Property is located within a municipality's ETJ, Buyer should contact all municipalities located in the general proximity of the Property for further information.
- G. If apartments or other residential units are on the Property and the units were built before 1978, federal law requires a lead-based paint and hazard disclosure statement to be made part of this contract (*the Addendum for Seller's Disclosure of Information on Lead-Based Paint and Lead-Based Paint Hazards (TAR-1906) may be used*).

(TAR-1801) 4-1-18

Initialed for Identification by Seller

^{DS}
[RECEIVED]

and Buyer

[SL]

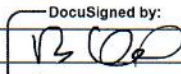
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- H. Section 1958.154, Occupations Code requires Seller to provide Buyer a copy of any mold remediation certificate issued for the Property during the 5 years preceding the date the Seller sells the Property.
- I. Brokers are not qualified to perform property inspections, surveys, engineering studies, environmental assessments, or inspections to determine compliance with zoning, governmental regulations, or laws. Buyer should seek experts to perform such services. Buyer should review local building codes, ordinances and other applicable laws to determine their effect on the Property. Selection of experts, inspectors, and repairmen is the responsibility of Buyer and not the brokers. Brokers are not qualified to determine the credit worthiness of the parties.
- J. NOTICE OF WATER LEVEL FLUCTUATIONS: If the Property adjoins an impoundment of water, including a reservoir or lake, constructed and maintained under Chapter 11, Water Code, that has a storage capacity of at least 5,000 acre-feet at the impoundment's normal operating level, Seller hereby notifies Buyer: "The water level of the impoundment of water adjoining the Property fluctuates for various reasons, including as a result of: (1) an entity lawfully exercising its right to use the water stored in the impoundment; or (2) drought or flood conditions."
- K. LICENSE HOLDER DISCLOSURE: Texas law requires a real estate license holder who is a party to a transaction or acting on behalf of a spouse, parent, child, business entity in which the license holder owns more than 10%, or a trust for which the license holder acts as a trustee or of which the license holder or the license holder's spouse, parent or child is a beneficiary, to notify the other party in writing before entering into a contract of sale. Disclose if applicable: _____.
- 26. CONTRACT AS OFFER:** The execution of this contract by the first party constitutes an offer to buy or sell the Property. Unless the other party accepts the offer by 5:00 p.m., in the time zone in which the Property is located, on October 19, 2018, the offer will lapse and become null and void.

READ THIS CONTRACT CAREFULLY. The brokers and agents make no representation or recommendation as to the legal sufficiency, legal effect, or tax consequences of this document or transaction. **CONSULT** your attorney **BEFORE** signing.

Seller: Brian ClaypoolBuyer: JESE Real Estate

By: Brian Claypool
 By (signature): 
 Printed Name: Brian Claypool
 Title: Seller

By: Stephen Levine
 By (signature): 
 Printed Name: Stephen Levine
 Title: Director

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

By: _____
 By (signature): _____
 Printed Name: _____
 Title: _____

Commercial Contract - Improved Property concerning 300 E. Croslin Street, Austin, TX 78752

AGREEMENT BETWEEN BROKERS

(use only if Paragraph 9B(1) is effective)

Principal Broker agrees to pay N/A (Cooperating Broker) a fee when the Principal Broker's fee is received. The fee to be paid to Cooperating Broker will be:

- ☐ \$ _____, or
☐ _____ % of the sales price, or
☐ _____ % of the Principal Broker's fee.

The title company is authorized and directed to pay Cooperating Broker from Principal Broker's fee at closing. This Agreement Between Brokers supersedes any prior offers and agreements for compensation between brokers.

Principal Broker: _____ Cooperating Broker: _____

By: _____ By: _____

ATTORNEYS

Seller's attorney: _____ Buyer's attorney: Adam Leiber, SSJM Law

Address: _____ Address: _____

Phone & Fax: _____ Phone & Fax: (512)347-1604

E-mail: _____ E-mail: adam@ssjmlaw.com

Seller's attorney requests copies of documents, notices, and other information:

- ☐ the title company sends to Seller.
☐ Buyer sends to Seller.

Buyer's attorney requests copies of documents, notices, and other information:

- ☒ the title company sends to Buyer.
☒ Seller sends to Buyer.

ESCROW RECEIPT

The title company acknowledges receipt of:

- ☒ A. the contract on this day October 18, 2018 (effective date);
☐ B. earnest money in the amount of \$ _____ in the form of _____ on _____.

Title company: Independence Title/Terri Saraceno Address: 3009 N Lamar Blvd

By: Beth Peterson Austin, TX 78705

Phone & Fax: 512-459-1110 | 512-501-6321

Assigned file number (GF#): 1842497-ILF E-mail: teamterri@ilawpc.com

ADDENDUM

PROPERTY: 300 E Croslin St, Austin,

1) Special Provisions

6) During the Feasibility Period, Buyer shall be granted access to inspect all units, shall have the right to meet with the management company.

7) Within 10 days prior to the expiration of the Feasibility Period, Seller must certify in writing that there have been no changes to the rent rolls previously provided; or if there have been changes in occupancy, Seller must provide an updated rent roll.

8) Seller requires Buyer do initial unit inspections within 10 days of contract execution.

Date: 10/16/2018

DocuSigned by:



Signature 51B0B652B9B4E7630BD16B97D45E1B6

Date: _____

Signature _____

Date: 10/17/2018

Authenticated

Stephen Levine

Signature 10/17/2018 2:09:32 PM CDT

Date: _____

Signature _____

Addendum



TEXAS ASSOCIATION OF REALTORS®
COMMERCIAL CONTRACT FINANCING ADDENDUM

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**ADDENDUM TO COMMERCIAL CONTRACT BETWEEN THE UNDERSIGNED PARTIES CONCERNING
 THE PROPERTY AT**

300 E. Croslin Street, Austin, TX 78752

The portion of the Sales Price not payable in cash will be paid as follows: *(Check all that apply.)*

☒ A. **THIRD PARTY FINANCING:**

- (1) The contract is contingent upon Buyer obtaining a third party loan(s) secured by the Property in the amount of \$ **1,807,500.00** for not less than _____ years with the initial interest rate not to exceed _____ % per annum and payments calculated on an amortization period of no less than _____ years.
- (2) Buyer will apply for the third party loan(s) described in Paragraph A(1) promptly after the effective date. If Buyer cannot obtain the loan(s), Buyer may give Seller written notice within **45** days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required, this contract will no longer be subject to the contingency described in this Paragraph A.**
- (3) Each note to be executed under this addendum is to be secured by vendor's and deed of trust liens.

☐ B. **ASSUMPTION:**

- (1) Buyer will assume the unpaid principal balance of the existing promissory note secured by the Property payable to _____ dated _____ which balance at closing will be \$ _____.
- (2) Buyer's initial payment will be the first payment due after closing. Buyer's assumption of the existing note includes all obligations imposed by the deed of trust securing the note, recorded in _____ *(recording reference)* in the real property records of the county where the Property is located.
- (3) If the unpaid principal balance of the assumed loan as of the date of closing varies from the loan balance stated in Paragraph B(1), the cash payable at closing will be adjusted by the net amount of any variance; provided, if the total principal balance of the assumed loan varies in an amount greater than \$ _____ at closing, either party may terminate this contract and the earnest money will be refunded to Buyer unless either party elects to eliminate the excess in the variance by an appropriate adjustment at closing.
- (4) Buyer may terminate the contract and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer if the note holder on assumption requires:
 - (a) Buyer to pay an assumption fee in excess of \$ _____ and Seller declines to pay such excess;
 - (b) an increase in the interest rate to more than _____ %; or
 - (c) any other modification of the loan documents.
- (5) Unless Seller is released of liability on any assumed note, Seller requires a vendor's lien and deed of trust to secure assumption, which will be automatically released on execution and delivery of a release by the note holder.

(TAR-1931) 1-26-10

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and Buyer:

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Commercial Contract Financing Addendum concerning **300 E. Croslin Street, Austin, TX 78752**

- (6) If assumption approval is required by the note holder, Buyer will apply for assumption approval within _____ days after the effective date of the contract and will make every reasonable effort to obtain assumption approval. If Buyer cannot obtain assumption approval, Buyer may give Seller written notice within _____ days after the effective date and the contract will terminate and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. **If Buyer does not give such notice within the time required and Buyer does not close because Buyer is not able to assume the existing note, Buyer will be in default.**

☐ C. **SELLER FINANCING:**

- (1) At closing, Buyer will execute and deliver a promissory note (the note) from Buyer to Seller in the amount of \$ _____, bearing _____ % interest per annum. Matured, unpaid amounts will bear interest at the maximum rate of interest allowed by law.
- (2) The note will be payable as follows:
- ☐ (a) In one payment, due _____ after the date of the note, with interest payable: ☐ (i) monthly ☐ (ii) _____.
- ☐ (b) In installments of \$ _____ ☐ including interest ☐ plus interest beginning _____ after the date of the note and continuing at ☐ monthly ☐ _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.
- ☐ (c) Interest only in ☐ monthly ☐ _____ installments for the first _____ years and thereafter in installments of \$ _____ ☐ including interest ☐ plus interest beginning _____ after the date of the note and continuing at ☐ monthly ☐ _____ intervals thereafter for _____ when the entire balance of the note will be due and payable.
- (3) The note will be secured by vendor's and deed of trust liens and an assignment of leases payable at the place designated by Seller.
- (4) The note will provide that if Buyer fails to timely pay an installment within 10 days after the installment is due, Buyer will pay a late fee equal to 5% of the installment not paid.
- (5) The note ☐ will ☐ will not provide for liability (personal or corporate) against the maker in the event of default.
- (6) The note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied to the payment of the installments of principal last maturing and interest will immediately cease on the prepaid principal.
- (7) The lien securing payment of the note will be inferior to any lien securing any superior note described in this addendum. If an owner's policy of title insurance is furnished, Buyer, at Buyer's expense, will furnish Seller with a mortgagee title policy in the amount of the note at closing.
- (8) If all or any part of the Property is sold or conveyed without Seller's prior written consent, Seller, at Seller's option, may declare the outstanding principal balance of the note, plus accrued interest, immediately due and payable. Any of the following is not a sale or conveyance of the Property:
- (a) the creation of a subordinate lien;
 - (b) a sale under a subordinate lien;
 - (c) a deed under threat or order of condemnation;
 - (d) a conveyance solely between the parties; or
 - (e) the passage of title by reason of death of a maker or operation of law.

Commercial Contract Financing Addendum concerning 300 E. Croslin Street, Austin, TX 78752

(9) Deposits for Taxes and Insurance: Together with the principal and interest installments, Buyer ☐ will ☐ will not deposit with Seller a pro rata part of the estimated annual ad valorem taxes on the Property and a pro rata part of the estimated annual insurance premiums for the improvements on the Property.

(a) If Buyer deposits taxes and insurance deposits with Seller, Buyer agrees that the taxes and insurance deposits are only estimates and may be insufficient to pay total taxes and insurance premiums. Buyer agrees to pay any deficiency within 30 days after Seller notifies Buyer of any deficiency. Buyer's failure to pay the deficiency is a default under the deed of trust.

(b) If any superior lien holder on the Property collects payments for taxes and insurance, any requirement to deposit taxes and insurance deposits with Seller under this addendum is inoperative so long as payments are being made to the superior lien holder.

(10) Any event that constitutes a default under any superior lien constitutes a default under the deed of trust securing the note.

(11) The note will include a provision for reasonable attorney's fees for any collection action.

(12) Unless the parties agree otherwise, the form of the note and loan documents will be as found in the current edition of the State Bar of Texas Real Estate Forms Manual without any additional clauses.

☐ D. CREDIT APPROVAL ON ASSUMPTION OR SELLER FINANCING:

(1) To establish Buyer's creditworthiness for assumption approval or seller financing, Buyer will deliver to Seller the following information (Buyer's documentation) within _____ days after the effective date of the contract:

- ☐ (a) verification of employment, including salary;
- ☐ (b) verification of funds on deposit in financial institutions;
- ☐ (c) current financial statement;
- ☐ (d) credit report;
- ☐ (e) tax returns for the following years _____;
- ☐ (f) _____.

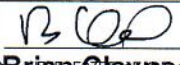
(2) If Buyer does not timely deliver Buyer's documentation or Seller determines, in Seller's sole discretion, that Buyer's creditworthiness is not acceptable, Seller may terminate the contract by giving written notice to Buyer not later than _____ days after the date Buyer must deliver Buyer's documentation under Paragraph D(1) and the earnest money, less any independent consideration under Paragraph 7B(1) of the contract, will be refunded to Buyer. If Seller does not timely terminate the contract under this paragraph, Seller will be deemed to have accepted Buyer's credit.

☐ E. SPECIAL PROVISIONS:

Commercial Contract Financing Addendum concerning 300 E. Croslin Street, Austin, TX 78752


Seller: Brian Claypool

By: Brian Claypool DocuSigned by:

By (signature): 
Printed Name: Brian Claypool
Title: Seller

Buyer: JESE Real Estate

By: Stephen Levine

By (signature): 
Printed Name: Stephen Levine
Title: Director

By: _____
By (signature): _____
Printed Name: _____
Title: _____

By: _____
By (signature): _____
Printed Name: _____
Title: _____



APPROVED BY THE TEXAS REAL ESTATE COMMISSION
**ADDENDUM FOR SELLER'S DISCLOSURE OF INFORMATION
 ON LEAD-BASED PAINT AND LEAD-BASED PAINT HAZARDS
 AS REQUIRED BY FEDERAL LAW**

10-10-11

CONCERNING THE PROPERTY AT 300 E Croslin St Austin
 (Street Address and City)

A. LEAD WARNING STATEMENT: "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-paint hazards is recommended prior to purchase."

NOTICE: Inspector must be properly certified as required by federal law.

B. SELLER'S DISCLOSURE:

1. PRESENCE OF LEAD-BASED PAINT AND/OR LEAD-BASED PAINT HAZARDS (check one box only):

☐ (a) Known lead-based paint and/or lead-based paint hazards are present in the Property (explain): _____

☐ (b) Seller has no actual knowledge of lead-based paint and/or lead-based paint hazards in the Property.

2. RECORDS AND REPORTS AVAILABLE TO SELLER (check one box only):

☐ (a) Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the Property (list documents): _____

☐ (b) Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the Property.

C. BUYER'S RIGHTS (check one box only):

☐ 1. Buyer waives the opportunity to conduct a risk assessment or inspection of the Property for the presence of lead-based paint or lead-based paint hazards.

☒ 2. Within ten days after the effective date of this contract, Buyer may have the Property inspected by inspectors selected by Buyer. If lead-based paint or lead-based paint hazards are present, Buyer may terminate this contract by giving Seller written notice within 14 days after the effective date of this contract, and the earnest money will be refunded to Buyer.

D. BUYER'S ACKNOWLEDGMENT (check applicable boxes):

☐ 1. Buyer has received copies of all information listed above.

☒ 2. Buyer has received the pamphlet *Protect Your Family from Lead in Your Home*.

E. BROKERS' ACKNOWLEDGMENT: Brokers have informed Seller of Seller's obligations under 42 U.S.C. 4852d to:

(a) provide Buyer with the federally approved pamphlet on lead poisoning prevention; (b) complete this addendum; (c) disclose any known lead-based paint and/or lead-based paint hazards in the Property; (d) deliver all records and reports to Buyer pertaining to lead-based paint and/or lead-based paint hazards in the Property; (e) provide Buyer a period of up to 10 days to have the Property inspected; and (f) retain a completed copy of this addendum for at least 3 years following the sale. Brokers are aware of their responsibility to ensure compliance.

F. CERTIFICATION OF ACCURACY: The following persons have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

Buyer <u>10/17/2018 2:09:42 PM CDT</u> JESE Real Estate	Date	Seller Brian Claypool	Date
Buyer	Date	Seller	Date
Other Broker	Date	Listing Broker	Date

The form of this addendum has been approved by the Texas Real Estate Commission for use only with similarly approved or promulgated forms of contracts. Such approval relates to this contract form only. TREC forms are intended for use only by trained real estate licensees. No representation is made as to the legal validity or adequacy of any provision in any specific transactions. It is not suitable for complex transactions. Texas Real Estate Commission, P.O. Box 12188, Austin, TX 78711-2188, 512-936-3000 (<http://www.trec.texas.gov>)

(TAR 1906) 10-10-11

TREC No. OP-L



Information About Brokerage Services

11-2-2015

Texas law requires all real estate license holders to give the following information about brokerage services to prospective buyers, tenants, sellers and landlords.

TYPES OF REAL ESTATE LICENSE HOLDERS:

- **A BROKER** is responsible for all brokerage activities, including acts performed by sales agents sponsored by the broker.
- **A SALES AGENT** must be sponsored by a broker and works with clients on behalf of the broker.

A BROKER'S MINIMUM DUTIES REQUIRED BY LAW (A client is the person or party that the broker represents):

- Put the interests of the client above all others, including the broker's own interests;
- Inform the client of any material information about the property or transaction received by the broker;
- Answer the client's questions and present any offer to or counter-offer from the client; and
- Treat all parties to a real estate transaction honestly and fairly.

A LICENSE HOLDER CAN REPRESENT A PARTY IN A REAL ESTATE TRANSACTION:

AS AGENT FOR OWNER (SELLER/LANDLORD): The broker becomes the property owner's agent through an agreement with the owner, usually in a written listing to sell or property management agreement. An owner's agent must perform the broker's minimum duties above and must inform the owner of any material information about the property or transaction known by the agent, including information disclosed to the agent or subagent by the buyer or buyer's agent.

AS AGENT FOR BUYER/TENANT: The broker becomes the buyer/tenant's agent by agreeing to represent the buyer, usually through a written representation agreement. A buyer's agent must perform the broker's minimum duties above and must inform the buyer of any material information about the property or transaction known by the agent, including information disclosed to the agent by the seller or seller's agent.

AS AGENT FOR BOTH - INTERMEDIARY: To act as an intermediary between the parties the broker must first obtain the written agreement of *each party* to the transaction. The written agreement must state who will pay the broker and, in conspicuous bold or underlined print, set forth the broker's obligations as an intermediary. A broker who acts as an intermediary:

- Must treat all parties to the transaction impartially and fairly;
- May, with the parties' written consent, appoint a different license holder associated with the broker to each party (owner and buyer) to communicate with, provide opinions and advice to, and carry out the instructions of each party to the transaction.
- Must not, unless specifically authorized in writing to do so by the party, disclose:
 - that the owner will accept a price less than the written asking price;
 - that the buyer/tenant will pay a price greater than the price submitted in a written offer; and
 - any confidential information or any other information that a party specifically instructs the broker in writing not to disclose, unless required to do so by law.

AS SUBAGENT: A license holder acts as a subagent when aiding a buyer in a transaction without an agreement to represent the buyer. A subagent can assist the buyer but does not represent the buyer and must place the interests of the owner first.

TO AVOID DISPUTES, ALL AGREEMENTS BETWEEN YOU AND A BROKER SHOULD BE IN WRITING AND CLEARLY ESTABLISH:

- The broker's duties and responsibilities to you, and your obligations under the representation agreement.
- Who will pay the broker for services provided to you, when payment will be made and how the payment will be calculated.

LICENSE HOLDER CONTACT INFORMATION: This notice is being provided for information purposes. It does not create an obligation for you to use the broker's services. Please acknowledge receipt of this notice below and retain a copy for your records.

<u>Muskin Commercial, LLC</u> Licensed Broker/Broker Firm Name or Primary Assumed Business Name	<u>9000275</u> License No.	<u>ellenm@muskincommercial.com</u> Email	<u>(512) 343-2700</u> Phone
<u>Ellen Muskin</u> Designated Broker of Firm	<u>334236</u> License No.	<u>ellenm@muskincommercial.com</u> Email	<u>(512) 343-2700</u> Phone
<u>Ellen Muskin</u> Licensed Supervisor of Sales Agent/ Associate	<u>334236</u> License No.	<u>ellenm@muskincommercial.com</u> Email	<u>(512) 343-2700</u> Phone
<u>Daniel Elam</u> Sales Agent/Associate's Name	<u>616676</u> License No.	<u>daniel@muskincommercial.com</u> Email	<u>(512) 343-2700</u> Phone
<div style="display: flex; justify-content: space-around; align-items: center;"> <div style="border: 1px solid black; padding: 5px; text-align: center;"> SL </div> <div style="border: 1px solid black; padding: 5px; text-align: center;"> REC </div> </div>		10/16/2018	
Buyer/Tenant/Seller/Landlord Initials		Date	

Regulated by the Texas Real Estate Commission

Information available at www.trec.texas.gov

TAR 2501

IABS 1-0

Muskin Commercial, LLC, 4705 Spicewood Springs Rd, Ste 200 Austin, TX 78759
Ellen Muskin

Phone: (512) 343-2700

Fax: (512) 343-2703

IABS

Produced with zipForm® by zipLogix 18070 Fifteen Mile Road, Fraser, Michigan 48026 www.zipLogix.com

Appendix 6:

Travis County Appraisal District Report for Property

Travis CAD

Property Search Results > 232696 CLAYPOOL BRIAN for Year 2018

Tax Year: 2018

Property

Account

Property ID:	232696	Legal Description:	LOT A HAMPTON PLACE
Geographic ID:	0231140946	Zoning:	MF3
Type:	Real	Agent Code:	ID:1564573
Property Use Code:			
Property Use Description:			

Protest

Protest Status:
Informal Date:
Formal Date:

Location

Address:	300 E CROSLIN ST TX 78752	Mapsco:	
Neighborhood:	05NC1	Map ID:	022611
Neighborhood CD:	05NC1		

Owner

Name:	CLAYPOOL BRIAN	Owner ID:	1695864
Mailing Address:	1180 LINDA VISTA PASADENA , CA 91103-2362	% Ownership:	100.0000000000%
		Exemptions:	

Values

(+) Improvement Homesite Value:	+	\$0	
(+) Improvement Non-Homesite Value:	+	\$2,038,255	
(+) Land Homesite Value:	+	\$0	
(+) Land Non-Homesite Value:	+	\$621,675	Ag / Timber Use Value
(+) Agricultural Market Valuation:	+	\$0	\$0
(+) Timber Market Valuation:	+	\$0	\$0

(=) Market Value:	=	\$2,659,930	
(-) Ag or Timber Use Value Reduction:	-	\$0	

(=) Appraised Value:	=	\$2,659,930	
(-) HS Cap:	-	\$0	

(=) Assessed Value:	=	\$2,659,930	

Taxing Jurisdiction

Owner: CLAYPOOL BRIAN
% Ownership: 100.0000000000%

Total Value: \$2,659,930

Entity	Description	Tax Rate	Appraised Value	Taxable Value	Estimated Tax		
01	AUSTIN ISD	1.192000	\$2,659,930	\$2,659,930	\$31,706.36		
02	CITY OF AUSTIN	0.440300	\$2,659,930	\$2,659,930	\$11,711.67		
03	TRAVIS COUNTY	0.354200	\$2,659,930	\$2,659,930	\$9,421.47		
0A	TRAVIS CENTRAL APP DIST	0.000000	\$2,659,930	\$2,659,930	\$0.00		
2J	TRAVIS COUNTY HEALTHCARE DISTRICT	0.105221	\$2,659,930	\$2,659,930	\$2,798.80		
68	AUSTIN COMM COLL DIST	0.104800	\$2,659,930	\$2,659,930	\$2,787.61		
Total Tax Rate:		2.196521					
					Taxes w/Current Exemptions:	\$58,425.91	
					Taxes w/o Exemptions:	\$58,425.92	

Improvement / Building

Improvement #1:	APARTMENT 5-25	State Code:	B1	Living Area:	20461.0 sqft	Value: \$2,038,255
-----------------	----------------	-------------	----	--------------	--------------	--------------------

Type	Description	Class CD	Exterior Wall	Year Built	SQFT
1ST	1st Floor	WV - 4		1970	9702.0
2ND	2nd Floor	WW - 4		1970	10339.0
1ST	1st Floor	WV - 4		1970	420.0
011	PORCH OPEN 1ST F	* - 4		1970	637.0
132	PLBG 5-FIXT AVG	AVG - *		1970	1.0
142	BATHTUB AVG	AVG - *		1970	1.0
152	COMMODE AVG	AVG - *		1970	1.0
162	LAVATORY AVG	AVG - *		1970	1.0
269	OBS RANGE DRP-IN	* - *		1970	1.0
541	FENCE COMM LF	W6 - *		1970	600.0
551	PAVED AREA	AI - *		1970	13000.0
601	POOL COMM'L	CA - *		1970	600.0
611	TERRACE	CA - *		1970	720.0

Land

#	Type	Description	Acres	Sqft	Eff Front	Eff Depth	Market Value	Prod. Value
1	LAND	Land	0.9514	41445.00	0.00	0.00	\$621,675	\$0

Roll Value History

Year	Improvements	Land Market	Ag Valuation	Appraised	HS Cap	Assessed
2019	N/A	N/A	N/A	N/A	N/A	N/A
2018	\$2,038,255	\$621,675	0	2,659,930	\$0	\$2,659,930
2017	\$2,038,255	\$621,675	0	2,659,930	\$0	\$2,659,930
2016	\$810,595	\$621,675	0	1,432,270	\$0	\$1,432,270
2015	\$710,905	\$414,450	0	1,125,355	\$0	\$1,125,355
2014	\$774,380	\$248,670	0	1,023,050	\$0	\$1,023,050

Deed History - (Last 3 Deed Transactions)

#	Deed Date	Type	Description	Grantor	Grantee	Volume	Page	Deed Number
1	8/24/2016	SW	SPECIAL WARRANTY DEED	300 E CROSLIN LLC	CLAYPOOL BRIAN			2016140436

2	3/27/2014	WD	WARRANTY DEED	11808 HAMLIN STREET LLC	300 E CROSLIN LLC	2014047464TR
3	1/25/2006	WD	WARRANTY DEED	DEBONIS DANIEL J & MERRY LOU	11808 HAMLIN STREET LLC	2006018343TR

Questions Please Call (512) 834-9317

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Appendix 7:

Austin Renovation Experience

Property Address	Property 1	Property 2	Property 3	Property 4	Property 5	Property 6	Property 7
	8400 Emerald Hill Dr Austin, TX 78759	3802 Green Trails North Austin, TX 78731	3917 Rockledge Dr Austin, TX 78731	8502 Walhill CV Austin, TX 78731	7105 Mesa Dr Austin, TX 78731	4012 Austin Woods Dr Austin, TX 78759	4400 Waterford St Austin, TX 78731
Timing							
Acquisition Date	9/16/2016	11/29/2016	3/16/2017	8/4/2017	8/31/2017	3/5/2018	10/1/2018
Disposition Date	3/13/2017	6/9/2017	12/7/2017	5/21/2018	9/27/2018	7/13/2018	4/1/2019
Income							
Sales Price	762,500	865,000	950,000	850,000	888,350	545,000	1,600,000
Cost of Goods Sold							
Property Purchase Price	535,000	572,500	650,000	600,000	674,500	393,500	1,000,000
Rehab Expenses & Carrying Costs	164,426	117,632	159,302	190,515	150,388	47,204	300,002
Total COGS	699,426	690,132	809,302	790,515	824,888	440,704	1,300,002
Gross Profit	63,074	174,868	140,698	59,485	63,462	104,296	299,998
Scope	Interior renovation including kitchen, bathrooms, windows, flooring, and doors	Interior renovation including kitchen, bathrooms, windows, flooring, and doors. Added new bathroom.	Interior renovation including kitchen, bathrooms, windows, flooring, and doors. Added new bathroom.	Interior renovation including kitchen, bathrooms, windows, flooring, and doors	Interior renovation including kitchen, bathrooms, flooring, and doors	Light interior renovation including kitchen, bathrooms, windows, flooring, and doors	Interior renovation including kitchen, bathrooms, flooring, and doors
Key Lesson	Identify contractors and gain understanding of market-specific factors including the limited available trades to do work in Austin.	Improved quality of workmanship leading to larger profit margin.	Gained experience with full city building permit lifecycle and inspections.	Managing multiple projects simultaneously.	Marketing a project on a busy street.	Managing costs by providing the maximum impact for the lowest cost.	Tight project management to stay on schedule.

Appendix 30: Construction Project Plan

[illegible]

Appendix 31:

Good Neighbor Checklist – Previously Submitted

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- ☒ *N/A* Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

- ☒ Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer. *Flyer to be sent by 10/29/18.*


(3) Pre-Application Engagement

- ☒ Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- ☒ Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.
Stephen Levine

(4) Application requirements

- ☒ Provide communications plan
- ☒ Provide documentation showing the content of the notice, and proof of delivery
- ☒ Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.



Signed

Russell Artman

Printed Name

Appendix 32:

Good Neighbor – Initial Outreach Letter

October 31, 2018

To Whom It May Concern;

JESE Real Estate (JESE) is converting 20 residential apartments at 300 E. Croslin Street in the city of Austin to condominiums. You are receiving this notification because you are listed as a property owner within 500 feet.

The 0.95 acre condominium development known as Croslin Court is intended to be income-restricted, quality, and affordable housing. The site currently has 20 townhomes including: one bedroom, two bedroom, and three bedroom homes. We also plan to add a studio apartment which will bring the total site close to 21,000 square feet of living space. This project is expected to take approximately eighteen months.

We believe that community input is important in successfully planning and developing real estate. Please reach out if there is a community forum that we can present the project and/or participate in a discussion on the local level. We also welcome your feedback and thoughts.

If you would like more information or want to receive updates on the project, please contact Stephen Levine at steve.jesellc@gmail.com or (512) 402-2155.

Sincerely,

Stephen Levine
Principal, JESE Real Estate

Appendix 33:

Minority Owned Business – Submitted Application

Attached separately