

# ALTAMONT ENVIRONMENTAL, INC.

231 HAYWOOD STREET, ASHEVILLE, NC 28801  
TEL. 828.281.3350 FAC. 828.281.3351  
WWW.ALTAMONTENVIRONMENTAL.COM

## TRANSMITTAL LETTER

To: Ms. Shirley Liggins, NC Brownfields Program, Attn: BPA, Mail Service Center 1646, Raleigh, NC 27699

From: Seth Goad

Date: November 20, 2015

cc: \_\_\_\_\_

Subject: 109 Roberts Street - Brownfields Application

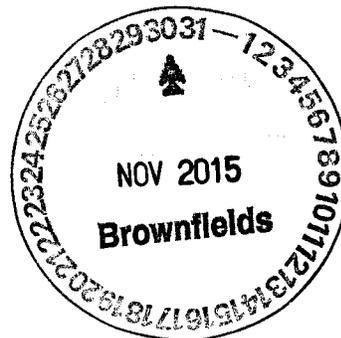


**Brownfields Property Application**  
North Carolina Brownfields Program  
[www.ncbrownfields.org](http://www.ncbrownfields.org)

**I. PROSPECTIVE DEVELOPER (PD) INFORMATION {USE TAB KEY TO GET TO NEXT DATA ENTRY LINE – DO NOT USE THE RETURN KEY}**

**A. PD information:**

Entity name	Berltex Real Estate Holdings, Inc.
Principal Officer	James Lifshutz
Representative	James Lifshutz
Mailing Address	215 West Travis San Antonio, Texas 78205
E-mail address	James@lifshutz.com
Phone No.	210-225-6742
Fax No.	210-225-8501
Web site	



**B. PD contact person information (i.e., individual who will serve as the NCBP's point of contact if different than above):**

Name	Same
Company	
Mailing Address	
E-Mail Address	
Phone No.	
Fax No.	

**C. Information regarding all parent companies, subsidiaries or other affiliates of PD (attach separate sheet(s) if necessary):**

**(Use for LLCs)**

Member-managed or manager-managed?    **Answer:**

If manager-managed, provide name of manager and percent of ownership:

Name  
Ownership (%)  
Mailing Address

E-Mail Address  
Phone No.  
Fax No.

For all LLCs, list all members of the LLC and provide their percent of ownership:

Name  
Ownership (%)  
Mailing Address

E-Mail Address  
Phone No.  
Fax No.

Name  
Ownership (%)  
Mailing Address

E-Mail Address  
Phone No.  
Fax No.

Name  
Ownership (%)  
Mailing Address

E-Mail Address  
Phone No.  
Fax No.

Managers of manager-managed LLCs are required to execute all brownfield documents for the LLC; as to member-managed LLCs, state name of member who will sign these documents.

List all parent companies, subsidiaries and other affiliates:

**(Use for Partnerships)**

Check one:  General Partnership  Limited Partnership

List all partners and percent of ownership:

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

Name

Ownership (%)

Mailing Address

E-Mail Address

Phone No.

Fax No.

Is this person a general or limited partner?

List all parent companies, subsidiaries and other affiliates:

**(Use for corporations other than LLCs)**

*(If information is the same as shown in 1.A., please indicate "same as 1.A." below.)*

Name

Mailing Address

E-Mail Address

Phone No.

Fax No.

List all parent companies, subsidiaries and other affiliates:

**(Use for individuals)**

*(If individual is the same as shown in 1.A., -please indicate "same as 1.A." above.)*

Name Same as 1.A.

Mailing Address

E-Mail Address

Phone No.

Fax No.

- D. Does PD have or can it obtain the financial means to fully implement a brownfields agreement and assure the safe reuse of the property? *(Attach supporting documentation such as letters of credit, financial statements, etc.)*

Answer Yes

Explanation The PD has received exchange funds for the property.

- E. Does PD have or can it obtain the managerial means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation PD has extensive knowledge in development and redevelopment activities. PD will be responsible for redeveloping the property and will do so in a manner to make the property safe for the proposed use.

- F. Does PD have or can it obtain the technical means to fully implement a brownfields agreement and assure the safe use of the property?

Answer Yes

Explanation Already retained Altamont Environmental, Inc. as consultants

G. Does PD commit that it will comply (and has complied, if PD has had a prior project in the NCBP) with all applicable procedural requirements of the NCBP, including prompt payment of all statutorily required fees?

Answer        We will comply

*(List all NCBP project name(s) and NCBP project ID numbers where PD or any parent company, subsidiary and other affiliate of PD has been a party to.)*

None as yet

H. Does PD currently own the property?

Answer        No

If yes, when did PD purchase the property and from whom? *(Provide name, address, telephone number and email address of the contact person for the current property owner.)*

If no, provide the name, address, telephone number and e-mail address of the contact person for the current property owner

Jolene Mechanic; 109 Roberts Street, Asheville, NC 28801; 828.776.5047;  
jolene99@bellsouth.net

I. If PD does not currently own the property, does PD have the property under contract to purchase?

Answer        Yes

If yes, provide date of contract.    August 31, 2015

If no, when does the PD intend to purchase the property (e.g., after the project is determined to be eligible for participation in the NCBP, after PD receives a draft BFA, after the conclusion of the brownfields process)? Note: the Act requires the PD to demonstrate that it intends to either buy or sell the property.

J. Describe all activities that have taken place on the property since PD or PD's parents, subsidiaries and/or other affiliates, and/or lessees or sublessees of PD, took ownership of or operated at the property (e.g., industrial, manufacturing or commercial activities, etc.). *(Include a list of all regulated substances as defined at NCGS § 130A-310.31(b)(11) that have been used, stored on, or otherwise present at the property while those activities were conducted, and explain how they were used.)*

PD does not own property.

**II. SITE INFORMATION**

**A. Information regarding the proposed brownfields property:**

Proposed project name      109 Roberts  
acreage                      0.169                      County      Buncombe  
street address(es)      109 Roberts Street  
city                          Asheville, North Carolina                      zip              28801  
tax ID(s) or PIN(s)      963897760100000  
past use(s)                  Wholesale produce business, construction company, and art studios.  
current use(s)              Art studios, hair salon, Blue Ridge Biofuels

cause(s)/source(s) of contamination:

known                      Historic monitoring and reporting indicated that three sub-slab soil gas samples were collected from the interior of the Site building. Concentrations of 25 volatile organic compounds (VOCs) were detected above laboratory reporting limits in all soil gas samples collected. These concentrations were below applicable screening levels with the exception of tetrachloroethene (PCE) in one sample. However, subsequent indoor air sampling did not detect PCE in excess of the lab reporting limit.

suspected

**B. Regulatory Agency Involvement: List the site names and all identifying numbers (ID No.) previously or currently assigned by any federal, state or local environmental regulatory agencies for the property. The ID No's may include CERCLIS numbers, RCRA generator numbers for past and present operations, UST database, Division of Water Quality's incident management database, and/or Inactive Hazardous Sites Branch inventory numbers. *(In many instances, the PD will need to actively seek out this information by reading environmental site assessment reports, reviewing government files, contacting government officials, and through the use of government databases, many of which may be available over the internet.)***

Agency Name/ID No: Not applicable

Agency Name/ID No:

C. In what way(s) is the property is abandoned, idled, or underused?

The property is currently underutilized for the area. The property is located in a resurging area of Asheville that is known as the River Arts District (RAD). The RAD has historically served as the industrial section of Asheville, and is currently experiencing a cultural and infrastructural revitalization. This property would serve as a contribution to the revitalization.

D. In what way(s) is the actual or possible contamination at the property a hindrance to development or redevelopment of the property (attach any supporting documentation such as letters from lending institutions)?

Limited environmental impacts are discussed in the attached reports. Portions of project financing likely rely on a Brownfields agreement being obtained and executed. Environmental liability associated with identified impacts may prevent development.

E. In what way(s) is the redevelopment of the property difficult or impossible without a brownfields agreement (attach any supporting documentation such as letters form lending institutions)?

Based on identified and suspected impacts to the property, project financiers will likely require that a Brownfields agreement is obtained and executed.

F. What are the planned use(s) of the redeveloped brownfields property to which the PD will commit? Be as specific as specific as possible.

The project will include the restoration of the existing historical structure. The final use will consist of mixed-use commercial/residential development which compliments the historical value of the neighborhood and will additionally act as a catalyst for other development within an underutilized area of the River Arts District.

G. Current tax value of brownfields property: \$584,900

H. Estimated capital investment in redevelopment project: \$2,000,000

I. List and describe the public benefits that will result from the property's redevelopment.

Be as specific as possible. (Examples of public benefits for brownfields projects include job creation, tax base increases, revitalization of blighted areas, preserved green space, preserved historic places, improving disadvantaged neighborhood quality-of-life related retail shopping opportunities, affordable housing, environmental cleanup activities or set asides that have community or environmental benefits. In gauging public benefit, NCBP places great value upon letters of support from community groups and local government that describe anticipated improvements in quality of life for neighboring communities that the project will bring about. The inclusion of such support letters with this application is recommended and encouraged.)

The development is expected to significantly improve the property and will likely act as a catalyst project for the area. Development phases of the project will provide both construction and construction management opportunities for local businesses and local workers. Once developed, jobs will be available to local residents and local artists. The project is expected to provide housing, which is at a deficit in Asheville. The project has not yet been publicized, but is expected to be met with enthusiasm from the local community and community leaders as it will provide opportunity for the reuse of several historically significant structures as well as provide open space for local residents and visitors of Asheville to enjoy.

Special Note: Please describe all environment-friendly technologies and designs PD plans to utilize in its redevelopment strategy. For example, environment friendly redevelopment plans could include: Leadership in Energy and Environmental Design (LEED) Certification, green building materials; green landscaping techniques such as using drought resistant plants; energy efficient designs, materials, appliances, machinery, etc.; renewable sources of energy, and/or recycling/reuse of old building materials such as brick or wood.

Several green building techniques will be employed at the project, including green landscaping techniques, recycling/reuse of old building materials such as wood and brick.

J. Who will own the brownfields property when the Notice of Brownfields Property is filed with the register of deeds at the conclusion of the brownfields process? (If information is the same as 1.A. above, please indicate.)

Name	James Lifshutz
Mailing Address	215 West Travis San Antonio, Texas 78205
E-Mail Address	James@lifshutz.com
Phone No.	210-225-6742
Fax No.	210-225-8501

### III. OTHER REQUIRED INFORMATION

A. Brownfields Affidavit: PD must provide its certification, in the form of a signed and notarized original of the unmodified model brownfields affidavit provided by NCBP, that it did not cause or contribute to contamination at the property and that it meets all other statutory eligibility requirements. (Note: The form to use for this affidavit is attached to this application. It must be filled out signed notarized, and submitted with this application.)

Is the required affidavit, as described above, included with this application?

Answer            Yes

B. Proposed Brownfields Agreement Form: PD must provide the completed form Proposed Brownfields Agreement. *(Note: The form to use for this document is attached to this application. It must be filled out, initialed, and attached on your submittal.)*  
Is the required Proposed Brownfields Agreement , as described above, included with this application?

Answer            Yes

C. Location Map: PD must provide a copy of the relevant portion of the 1:24,000 scale U.S.G.S. topographic quadrangle map that shows the property clearly plotted, and that measures at least an 8 ½ by 11 inches. *(Note: these maps can be purchased through the above link, or often through retail outdoor recreation stores that can print out the relevant map. Often environmental reports have location maps that use this type of map as the base for its location map.)*  
Is the required location map included with this application?

Answer            Yes

D. Survey Plat: PD must provide a preliminary survey plat of the brownfields property with the property boundaries clearly identified, and a metes and bounds legal description that matches the property description on the plat. At this stage of the brownfields process; one or more existing survey plats from a previous property conveyance will suffice. *(Before the brownfields project enters the public comment phase of the brownfields process, the PD will be required to submit a final brownfields survey plat which includes the information listed in the brownfields survey plat guidance.)*  
Is the required preliminary survey plat included with this application?

Answer            Yes

E. Site Photographs: PD must provide at least one pre-redevelopment photograph of the property, in either hard copy or electronic format that shows existing facilities and structures. **Please note that the NCBP prefers to have electronic photos instead of or in addition to hard copies. Electronic copies of photographs should be emailed to: Shirley.Liggins@ncdenr.gov with a clear indication as to which Brownfields Application they apply to.**  
Are photographs of the property included with this application?

Answer            Yes

Have electronic copies of the photographs been emailed to NCBP?

Answer

F. Environmental Reports/Data: If it makes an affirmative eligibility determination, the NCBP will request that PD provide any and all existing environmental reports and data for the property on **CD only**. The brownfields process may be expedited if PD submits such reports/data with this application.

Are any environmental reports/data being submitted with this application?

Answer            Yes

If environmental reports/data are being submitted with this application, please provide the title, date and author of each item being submitted:

**Letter Report of Environmental Services; May 28, 2015; AMEC Foster Wheeler  
Report of Indoor Air Assessment; September 3, 2015; ECS Carolinas, LLP**

#### **IV. ADDITIONAL REQUIRED FORMS**

**The following forms are to be filled out and submitted with the application including the Responsibility and Compliance Affidavit and the Proposed Brownfields Agreement. Submittal of the Affidavit requires signature and notarization, and the Proposed Brownfields Application requires an initial.**

**NORTH CAROLINA DEPARTMENT OF ENVIRONMENT  
AND NATURAL RESOURCES  
NORTH CAROLINA BROWNFIELDS PROGRAM**

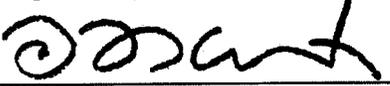
**IN THE MATTER OF: James Lifshutz**

**UNDER THE AUTHORITY OF ) AFFIDAVIT  
NORTH CAROLINA GENERAL ) RE: RESPONSIBILITY  
STATUTES  130A-310.30, et. seq. ) AND COMPLIANCE**

Mr. James Lifshutz being duly sworn, hereby deposes and says:

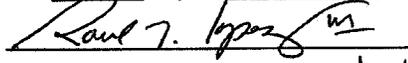
1. I am <<Title>> of <<Company>>.
2. [if signatory is not President, add this paragraph: "I am fully authorized to make the declarations contained herein and to legally bind <<Company>>."] ]
3. James Lifshutz is applying for a Brownfields Agreement with the North Carolina Department of Environment and Natural Resources, pursuant to N.C.G.S.  130A, Article 9, Part 5 (Brownfields Act), in relation to the following 9638-97-7601-00000 parcel(s) in Asheville, Buncombe , County, North Carolina: 109 Roberts Street
4. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that James Lifshutz, and any parent, subsidiary or other affiliate meets the eligibility requirements of N.C.G.S.  130A-310.31(b)(10), in that it has a *bona fide*, demonstrable desire to buy  sell  for the purpose of developing or redeveloping, and did not cause or contribute to the contamination at, the parcel(s) cited in the preceding paragraph.
5. I hereby certify, under the pains and penalties of perjury and of the Brownfields Act, that James Lifshutz meets the eligibility requirement of N.C.G.S.130A-310.32(a)(1) in that it and any parent, subsidiary or other affiliate have substantially complied with:
  - a. the terms of any brownfields or similar agreement to which it or any parent, subsidiary or other affiliate has been a party;
  - b. the requirements applicable to any remediation in which it or any parent, subsidiary or other affiliate has previously engaged;
  - c. federal and state laws, regulations and rules for the protection of the environment.

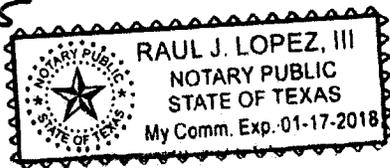
Affiant further saith not.

  
\_\_\_\_\_  
Signature/Printed Name **JAMES G LIFSHUTZ**

Date **11/4/2015**

Sworn to and subscribed before me  
this 5<sup>th</sup> day of November, 2015.

  
\_\_\_\_\_  
Notary Public  
My commission expires: 1-17-18.



(SEAL)

# Preliminary Proposed Brownfields Agreement

## I. Property Facts

- a. Property Address(es): 109 Roberts Street, Asheville, North Carolina 28801
- b. Property Seller: Phil Mechanic Construction Co., Inc.
- c. Property Buyer: James Lifshutz
- d. Brief Property Usage History: Wholesale produce business, a construction business, and art studios have been on the Site since the 1920s.
- e. The planned reuse will potentially involve the following use classification(s) (check all that apply):
- School/childcare/senior care
  - Residential
  - Commercial, retail (specify) art gallery, potential restaurant
  - Other commercial (specify)
  - Office
  - Light industrial
  - Heavy industrial
  - Recreational
  - Open space
  - Other (specify)

## II. Contaminant Information

- a. The contaminant situation at the property is best described by the following (check all that apply):
- Contaminants are from an on-property source(s)
  - Contaminants are from an off-property source(s)
  - Contaminants are from an unknown source(s)
  - Contaminants have not yet been documented on the property

b. Contaminated Media Table. (If known, check appropriate boxes below)

Contaminant Types	Soil		Groundwater and/or Surface Water		Private Wells		Vapor Intrusion	
	known	Suspected	known	Suspected	known	suspected	known	suspected
o r g a n i c s	Chlorinated Solvents (list):						PCE	
	Petroleum: ASTs <input type="checkbox"/> USTs <input type="checkbox"/> Other <input type="checkbox"/>							
	Other (list):							
i n o r g a n i c s	Metals (list):							
	Other (list):							

**III. Protective Measures**

I am prepared to take steps necessary to make the property suitable for its planned uses while fully protecting public health and the environment. I propose that NCBP consider a brownfields agreement that will make the property suitable for the planned use(s) through the following mechanism(s) (check all that apply):

- Contaminant remediation to risk-based levels.
- Engineered Controls (e.g., low permeability caps, vapor mitigation systems, etc)
- Land use restrictions that run with the land that will restrict or prohibit uses that are unacceptable from a risk assessment/management perspective. (*Important Note: In any*

*final brownfields agreement generated by the NCBP, land use restrictions will ultimately come with the continuing obligation to submit an annual certification that the Land Use Restrictions are being complied with and are recorded at the applicable register of deeds office.)*

#### IV. Fees

In connection with a brownfields agreement, the Act requires that the developer pay fees to offset the cost to the Department of Environment and Natural Resources and the Department of Justice. In satisfaction of the Act, the following fees apply to any brownfields agreement that is developed for this project, subject to negotiation of the brownfields agreement:

- a. A \$2,000 initial fee will be due from the applicant PD when both of the following occur:
  - 1) NCBP receives this application and proposed brownfields agreement, AND
  - 2) NCBP notifies the applicant in writing that the applicant PD and the project are eligible for participation in the NCBP and continued negotiation of a brownfields agreement.
- b. A second fee of \$6,000 will be due from the PD prior to execution of the brownfields agreement. Should the prospective developer choose to negotiate changes to the agreement that necessitate evaluation by the Department of Justice, additional fees shall apply.
- c. Any addendum/modifications to the BFA or NBP after they are in effect will result in an additional fee of at least \$1,000.
- d. In the unexpected event that the environmental conditions at the property are unusually complex, such that NCBP's costs will clearly exceed the above amounts, NCBP and PD will negotiate additional fees.

*VJK/dt* Please check this box and initial in space provided to indicate your acknowledgement of the above fee structure.

Date of Submittal: 11.10.2015

## FIGURES



**LEGEND**

 Subject Parcel

DATA SOURCES:  
 USGS TOPOGRAPHIC MAPS - ASHEVILLE QUADRANGLE 1991  
 PARCEL - BUNCOMBE COUNTY GIS 2015

**ALTAMONT ENVIRONMENTAL, INC.**  
 ENGINEERING & HYDROGEOLOGY

231 HAYWOOD STREET, ASHEVILLE, NC 28801  
 TEL. 828.281.3350 FAC. 828.281.3351  
 WWW.ALTAMONTENVIRONMENTAL.COM

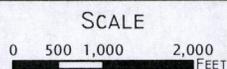
**SITE LOCATION MAP**

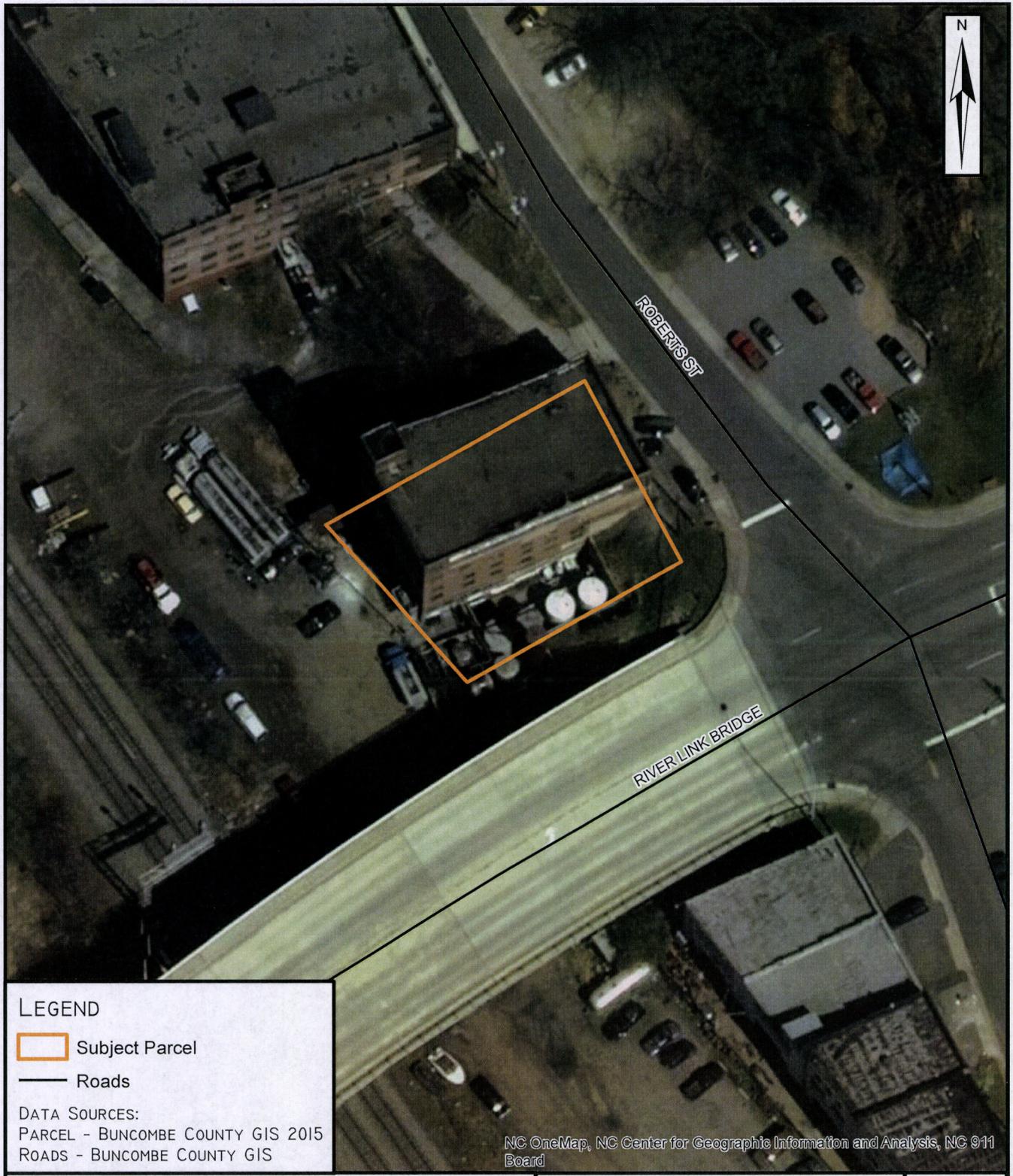
109 ROBERTS STREET  
 ASHEVILLE, NC 28801

**FIGURE**

**1**

DRAWN BY: CONNER SMITH  
 PROJECT MANAGER: MICHAEL FALKNOR  
 CLIENT: JAMES LIFSHUTZ  
 DATE: 10/12/2015





**LEGEND**

 Subject Parcel

 Roads

**DATA SOURCES:**

PARCEL - BUNCOMBE COUNTY GIS 2015  
 ROADS - BUNCOMBE COUNTY GIS

NC OneMap, NC Center for Geographic Information and Analysis, NC 911 Board

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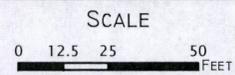
**SITE AERIAL MAP**

109 ROBERTS STREET  
 ASHEVILLE, NC 28801

**FIGURE**

**2**

DRAWN BY: CONNER SMITH  
 PROJECT MANAGER: MICHAEL FALKNOR  
 CLIENT: JAMES LIFSHUTZ  
 DATE: 10/12/2015



## APPENDICES

**APPENDIX A  
FINANCIAL STATEMENT**



Investment Property Exchange Services, Inc.

*Lts Deferred Exchange Solutions Nationwide*

5430 LBJ Freeway, Ste 261  
Dallas, TX 75240

(888) 337-1031 Phone  
(888) 337-1853 Fax  
rae.carlisle@ipx1031.com  
www.ipx1031.com

August 5, 2015

Texas Home Mortgage, Inc., a Texas corporation  
F/K/A Texas Home Improvement, Inc., a Texas corporation  
215 W. Travis  
San Antonio, TX 78205

Subject: Exchange No.: EX-10-14505-RC  
File No: 1-150226  
Relinquished Property: 5408 Broadway, Alamo Heights, TX 78209

We have received the Exchange Funds from the Relinquished Property Settlement Agent in the amount of \$1,739,070.53 for deposit into the Exchange Account. According to the Settlement Statement for the above-referenced Relinquished Property, the sale occurred on August 03, 2015. Based upon this information, the statutory time deadlines applicable to your exchange are as follows:

**Identification Period: September 17, 2015.** The deadline for identifying all potential Replacement Property for your exchange is midnight on the 45th day after the date of sale of the first Relinquished Property. You must identify all potential Replacement Property in writing on your Replacement Property Identification Notice (form enclosed), sign and deliver it to us, as Qualified Intermediary, or to another party allowed by Treasury Regulations, no later than the expiration of your Identification Period. You may send it to us by mail, fax or email with the scanned fully executed Identification Notice attached. ***Please note that an email without a signed document is not sufficient.***

**Exchange Period: January 30, 2016.** The deadline for acquiring all Replacement Property to complete your exchange is the earlier of 180 days from the date of sale of the first Relinquished Property or the filing date (including valid extensions) for the tax return for the tax year in which the transfer of your first Relinquished Property occurred.

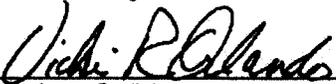
***The above deadline dates are based upon the closing date on the Settlement Statement and are provided to you as a courtesy only. You are responsible for making your own calculations to accurately determine and verify the deadline dates for your exchange.***

Please remember that before we can disburse exchange funds for earnest money or purchase of Replacement Property we must receive 1) a copy of the purchase and sale agreement and the preliminary title report for the Replacement Property so that we can prepare the necessary Assignment documents and 2) a completed, signed Authorization to Disburse Funds form. Please provide us with at least two (2) business day's prior notice to wire the requested funds.

If you have any questions, please feel free to contact us.

Sincerely,

Investment Property Exchange Services, Inc., a California corporation, as Qualified Intermediary  
under Exchange No.: EX-10-14505-RC

 On Behalf Of  
Rae-Anne Carlisle  
Exchange Coordinator

Enclosures

## **IPX1031<sup>®</sup> Will Not Facilitate Exchanges Involving Exchange-Traded Interests**

Some interests in mineral rights and in metals can qualify for Section 1031 treatment. For example, certain rights in oil and gas leaseholds can be traded for other oil and gas leaseholds and sometimes for other real estate. Gold bullion can be traded for gold bullion.

We routinely facilitate exchanges of leaseholds, mineral rights and metals that are transferred **directly between sellers and buyers.**

However, certain interests in mineral rights and in metals are traded **as securities on securities exchanges**, such as the New York Stock Exchange. These include **exchange-traded royalty trusts that own mineral rights in oil and gas leaseholds**, such as Hugoton Royalty Trust (NYSE:HGT), Permian Basin Royalty Trust (NYSE:PBT), Prudhoe Bay Royalty Trust (NYSE:BPT). There are also exchange-traded funds, also known as "ETFs" that hold gold or silver.

**Internal Revenue Code §1031(a)(2) clearly states that securities do not qualify for §1031 treatment**, and at least one IRS attorney has publicly opined that anything that is traded as a security does not qualify for §1031. Nevertheless, there is no official guidance, and there are differences of opinion in the private sector about whether there are circumstances under which these **exchange-traded** royalty trusts could qualify as relinquished or replacement property under §1031.

Interests that are traded as listed securities can only be acquired through a brokerage account. Exchange funds must be deposited into the brokerage account before the trade can settle, i.e. before the securities will be delivered. **Deposit of exchange funds into the Exchanger's own brokerage account would likely be deemed to be an impermissible receipt of exchange funds by the taxpayer prior to receipt of like-kind property, causing the exchange to fail.** Since securities in general are excluded from §1031, we do not have relationships established with investment brokerages that would enable us to acquire these exchange-traded securities on behalf of our clients.

**For all of the above reasons, Investment Property Exchange Services, Inc. will not facilitate an exchange involving interests of any sort that are traded as securities on a securities exchange.**

Exchange No.: EX-10-14505-RC

REPLACEMENT PROPERTY IDENTIFICATION NOTICE

Exchanger hereby identifies and designates as Replacement Property, pursuant to §3.2 of the Exchange Agreement, the following like-kind property (legal descriptions are attached if necessary):

1) 109 Roberts Street, Asheville NC 28801

2) 502 W. Mistletoe, San Antonio TX 78212

3) \_\_\_\_\_

If you are identifying more than 3 properties, review the attached Guidelines and Treasury Regulations, and attach a separate sheet listing the properties and their values.

**OPTIONAL: Designation as Alternate Replacement Properties**

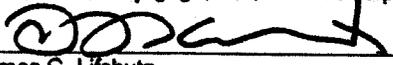
If a) more than one Replacement Property has been identified and b) you intend to acquire less than all of them, then you may complete the blank in the statement below. Completion of the Alternate Replacement Property Statement is optional and may result in your receipt of taxable exchange funds not used to acquire a Replacement Property.

**Alternate Replacement Property Statement:** The above listed properties are intended to be alternate identifications. Exchanger intends to acquire \_\_\_\_\_ total Replacement Property(ies) and shall notify Qualified Intermediary at a later date as to which of these will actually be acquired as Replacement Property(ies). After Exchanger has acquired this specified number of Replacement Property(ies), Qualified Intermediary shall have no further obligation to acquire and convey additional Replacement Property(ies) to Exchanger and the balance of the exchange funds will be released to Exchanger pursuant to §4.1 of the Exchange Agreement. **NOTE: If you do not complete this paragraph, and you purchase less than all of the identified properties, any excess exchange funds remaining after purchase of replacement property(ies) may need to be held until after the 180<sup>th</sup> day.**

Exchanger acknowledges that Exchanger reviewed the attached General Guidelines for Identification and completed this Replacement Property Identification Notice this 17<sup>th</sup> day of September, 2015.

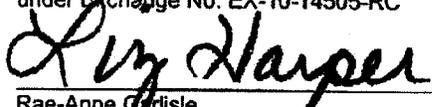
EXCHANGER(S):

Texas Home Mortgage, Inc., a Texas corporation F/K/A Texas Home Improvement, Inc., a Texas corporation

  
James G. Lifshutz  
President

Receipt by Qualified Intermediary is acknowledged this 17<sup>th</sup> day of September, 2015.

Investment Property Exchange Services, Inc., a California corporation, as Qualified Intermediary under Exchange No. EX-10-14505-RC

  
Rae-Anne Carlisle  
Exchange Coordinator

## GENERAL GUIDELINES FOR IDENTIFICATION

### 1. Identification Notice and Identification Period

Your Replacement Property must be identified in a writing, signed by the Exchanger, and delivered to the Qualified Intermediary or other party as allowed by Treas. Reg. §1.1031(k)-1(c)(2) within 45 calendar days after the transfer of the first Relinquished Property in your Exchange (the "Identification Period"). This 45 day rule is very strict, and is not extended if the 45th day should happen to fall on a Saturday, Sunday or legal holiday.

### 2. Unambiguous Description

Treas. Reg. §1.1031(k)-1(c)(3) provides "Replacement Property is identified only if it is unambiguously described in the written document or agreement. Real property generally is unambiguously described if it is described by a legal description, street address, or distinguishable name (e.g., the Mayfair Apartment Building). Personal property generally is unambiguously described if it is described by a specific description of the particular type of property. For example, a truck generally is unambiguously described if it is described by a specific make, model, and year."

### 3. "3 Property Rule or 200% Rule"

Treas. Reg. §1.1031(k)-1(c)(4) permits the Exchanger to "identify more than one property as Replacement Property. Regardless of the number of Relinquished Properties transferred by the taxpayer as part of the same deferred exchange, the maximum number of Replacement Properties that the taxpayer may identify is:

(a) Three properties without regard to the fair market values of the properties, or

(b) Any number of properties as long as their aggregate fair market value, as of the end of the Identification Period, does not exceed 200 percent of the aggregate fair market value of all the Relinquished Properties as of the date the Relinquished Properties were transferred by Exchanger."

See the excerpt of Treas. Reg. §1.1031(k)-1(c)(4)(ii) below for the exception ("95% Rule") to the 3 Property / 200% Rule.

### 4. Already acquired Replacement Property(ies)

If you have already acquired one or more Replacement Property(ies) in your exchange, these Replacement Property(ies) count toward the total number of Replacement Property(ies) you can identify under either the "3 Property or 200 Percent Rule."

### 5. Fractional Interests

If you intend to acquire less than a 100% interest in a specific Replacement Property, such as an undivided fractional (tenant-in-common) interest in a Replacement Property, then you should specify the percentage interest and / or the value of the fractional interest of the Replacement Property that you intend to acquire.

### 6. Improvements & Repairs

If you intend to make improvements, such as repairs, alterations, or renovations to an identified Replacement Property to be paid for with Exchange Funds, you must include in your Replacement Property Identification Notice 1) a description of the replacement property and 2) a detailed description of any improvements to be made. NOTE: All improvements to be made to the Replacement Property during the Exchange Period must be completed prior to the date the Replacement Property is transferred to Exchanger in order to be considered in the total value of the Replacement Property included in the exchange.

### 7. Purchase and Sale Contracts

Please send a copy of the purchase and sale agreement for any Replacement Property along with the escrow/settlement contact information to Qualified Intermediary as soon as possible so that Qualified Intermediary can prepare the necessary exchange documentation to acquire the Replacement Property to complete the exchange.

***Following are excerpts from Treasury Regulation §1.1031(k)-1 regarding proper manner of identification of Replacement Property:***

"(b) Identification and receipt requirements -- (1) In general. In the case of a deferred exchange, any replacement property received by the taxpayer will be treated as property which is not of a like kind to the relinquished property if ... (i) [t]he replacement property is not "identified" before the end of the 'identification period'...."

"(b)(2)(i) The identification period begins on the date the taxpayer transfers the relinquished property and ends at midnight on the 45th day thereafter...."

"(c)(2) Manner of identifying replacement property. Replacement property is identified only if it is designated as replacement property in a written document signed by the taxpayer and hand delivered, mailed, telecopied, or otherwise sent before the end of the identification period to either (i) The person obligated to transfer the replacement property to the taxpayer (regardless of whether that person is a disqualified person as defined in paragraph (k) of this section); or (ii) Any other person involved in the exchange other than the taxpayer or a disqualified person (as defined in paragraph (k) of this section)."

"Examples of persons involved in the exchange include any of the parties to the exchange, an intermediary, an escrow agent, and a title company. An identification of replacement property made in a written agreement for the exchange of properties signed by all parties thereto before the end of the identification period will be treated as satisfying the requirements of this paragraph...."

"(c)(4)(ii) [95% Rule]. If, as of the end of the identification period, the taxpayer has identified more properties as replacement properties than permitted by paragraph (c)(4)(i) of this section, the taxpayer is treated as if no replacement property had been identified. The preceding sentence will not apply, however, and an identification satisfying the requirements of paragraph (c)(4)(i) of this section will be considered made, with respect to (A) Any replacement property received by the taxpayer before the end of the identification period, and (B) Any replacement property identified before the end of the identification period and received before the end of the exchange period, but only if the taxpayer receives before the end of the exchange period identified replacement property the fair market value of which is at least 95 percent of the aggregate fair market value of all identified replacement properties (the "95-percent rule")."

"For this purpose, the fair market value of each identified replacement property is determined as of the earlier of the date the property is received by the taxpayer or the last day of the exchange period."

"(c)(6) Revocation of identification. An identification of replacement property may be revoked at any time before the end of the identification period. An identification of replacement property is revoked only if the revocation is made in a written document signed by the taxpayer and hand delivered, mailed, telecopied, or otherwise sent before the end of the identification period to the person to whom the identification of the replacement property was sent. An identification of replacement property that is made in a written agreement for the exchange of properties is treated as revoked only if the revocation is made in a written amendment to the agreement or in a written document signed by the taxpayer and hand delivered, mailed, telecopied, or otherwise sent before the end of the identification period to all of the parties to the agreement."

"(e) Special rules for identification and receipt of replacement property to be produced. (1) In general. A transfer of relinquished property in a deferred exchange will not fail to qualify for nonrecognition of gain or loss under section 1031 merely because the replacement property is not in existence or is being produced at the time the property is identified as replacement property. For purposes of this paragraph (e), the terms "produced" and "production" have the same meanings as provided in section 263A(g)(1) and the regulations thereunder. (2)... For example, if the identified replacement property consists of improved real property where the improvements are to be constructed, the description of the replacement property satisfies the requirements of paragraph (c)(3) of this section (relating to description of replacement property) if a legal description is provided for the underlying land and as much detail is provided regarding construction of the improvements as is practicable at the time the identification is made."

**APPENDIX B**  
**BUNCOMBE COUNTY TAX CARD**



**COUNTY OF BUNCOMBE,  
NORTH CAROLINA**

**Web Property Record Card  
9638-97-7601-00000**



Date Printed: 9/30/2015

<b>Owner Information</b>		<b>Parcel Information</b>	<b>Total Property Value: 584,900</b>
Owners:	PHIL MECHANIC CONSTRUCTION CO INC	Status:	Active
Address:	109 ROBERTS ST ASHEVILLE NC 28801	Deed Date:	6/6/2006
Property Location:	00109 ROBERTS ST	Deed Book/Page:	4233 / 1733
<b>Taxing Districts</b>		Plat Book/Page:	0198 / 0070
County:	Buncombe County	Legal Reference:	NON WARRANTY DEED
City:	ASHEVILLE	Location:	00109 ROBERTS ST
Fire:		Class:	COMMERCIAL/SERVICES
School:	ASHEVILLE SCHOOL	Neighborhood:	RIVER DISTRICT
Authority:		Subdivision:	PROP OF POWELL & RAY
		Sub Lot:	4 5 6
		Zoning:	
		Conservation/Easement:	N
		Flood:	N

**Ownership History**

Transfer Date	Price	Legal Reference	Deed Book/Page	Qualified	Vacant When Sold	Account	Seller Names
06/06/06	\$0	NON WARRANTY DEED	4233 / 1733	No: A	No	8099391	MECHANIC MITCHELL F
08/30/98	\$0	WILL	098E / 1194	No: C	No	4061690	MECHANIC PHIL

**Assessment History**

Year	Account	Acres	Land	Bldgs	Other Impr	Assessed	Desc	Exemptions	Deferred	Taxable
2015	8080194	0.17	29,600	555,300	0	584,900		0	0	584,900
2014	8080194	0.17	29,600	555,300	0	584,900		0	0	584,900
2013	8080194	0.17	29,600	555,300	0	584,900		0	0	584,900
2012	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2011	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2010	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2009	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2008	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2007	8080194	0.17	37,700	478,900	0	516,600		0	0	516,600
2006	8099391	0.17	37,700	448,300	0	486,000		0	0	486,000
2005	8099391	0.17	25,700	225,400	0	251,100		0	0	251,100
2004	4061690	0.17	25,700	225,400	0	251,100		0	0	251,100
2003	4061690	0.17	25,700	225,400	0	251,100		0	0	251,100
2002	4061690	0.17	25,700	225,400	0	251,100		0	0	251,100

2001	4061690	0.17	10,800	201,000	0	211,800	0	0	211,800
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Land Data		Total Acres: 0.00	Land Value:	Other	Value: 0
		Square Feet	29,600	Improvements	
Segment#	Units	Description			
1	0.00 Square Feet	LOT			

Com. Bldg ID	Bldg Class	Occupancy	Sq Feet	Bsmt SqFt	Bsmt Finished	Year Built	Grade	Condition	Value
1	MASONRY	STORAGE WAREHOUSE	14976	4992	4992	1928	C	N	555300

Section	SqFt	# Stories
MULTI-USE BUILDING C	14976	3.00
LOADING DOCK, STEEL	624	1.00
FINISHED BASEMENT	4992	1.00

Total Building Value: 555,300

**APPENDIX C  
SITE SURVEY**



APPENDIX D  
SITE PHOTOGRAPHS



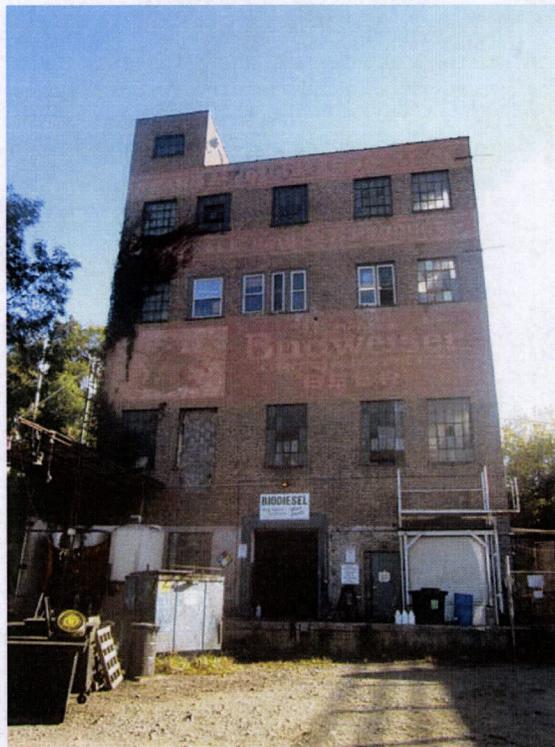
Photograph 1: View of 109 Roberts Street.



Photograph 2: Southern façade of 109 Roberts Street.



Photograph 3: Northern façade of 109 Roberts Street.



Photograph 4: Back of 109 Roberts Street.