



Odessa College

Regular Meeting

Tuesday, August 27, 2019 6:30 PM

AGENDA OF REGULAR MEETING
Odessa College Board of Trustees
Tuesday, August 27, 2019, 6:30 PM
Zant Community Room, 2nd Floor, Saulsbury Campus Center

1. **Call to Order** - Mr. Tommy Clark
2. **Pledge of Allegiance: United States & Texas** - Mr. Tommy Clark
3. **Introduce Volleyball Team** - Mr. Wayne Baker
4. **Introduce New Employees** - Mr. Ken Zartner
5. **Approval of Minutes of Regular Meeting of July 30, 2019** - Mr. Tommy Clark 4
6. **Action Items:**
 - A. **Committee Reports:**
 1. **Personnel/Policy Committee** - Mr. Bruce Shearer
 - a. Review & Consider for Approval TASB Policy Update 36 to Odessa College Policy Manual 12
 - b. Consider for Approval Policy to Change Board President Designation to Board Chair
 - c. Consider for Approval Policy to Move 25% of the Increase in Unrestricted Funds Annually to Support Vision 2030
 2. **Property Committee** - Dr. Tara Deaver
 - a. Report on Purchase of Real Property - 209 Cummings Dr. 61
 - b. Report on Purchase of Real Property - 211 Cummings Dr. 76
 - c. Consider for Approval the Purchase of Real Property - 300 W University Blvd. 96
 - d. Report on Bid for Cisco SMARTnet Annual Renewal
 3. **Finance Committee** - Mr. Gary Johnson
 - a. Conformation of 2018-2019 Budget to Actual Expenditures at End of Year
 - b. Discuss & Recommend Tax Rate for the 2019 Tax Year 203
 - c. Schedule Public Tax Hearings 204
 - B. **Financial Reports** - Ms. Brandy Ham
 1. Monthly Financial Statements & Budget Amendments 205
 2. Quarterly Investment Report 208
7. **Informational Items:**
 - A. **Education Report: Professional Learning Center** - Mr. Robert Rivas
 - B. **Institutional Effectiveness Report** - Dr. Don Wood
8. **President's Report** - Dr. Gregory Williams
 - A. 30 for 30 Fitness Challenge Kick-Off - August 29
 - B. Drive to Success Kick-Off - September 5
 - C. Wrangler Round-Up - September 12
9. **Adjournment** - Mr. Tommy Clark

Gregory D. Williams, Ed.D., President

EXECUTIVE/ CLOSED SESSION: If during the course of the meeting, any discussion of any item on the agenda should be held in executive or closed session, the Board will convene in such executive or closed session in accordance with the Texas Open Meeting Act, Section §551.001 of the Texas Government Code.

Minutes of a Regular Meeting of the Odessa College Board of Trustees held Tuesday, July 30, 2019, in the Zant Community Room, Saulsbury Campus Center, with the following:

Present

Richard Abalos
Royce Bodiford
Tommy Clark
Neil Grape
Larry Johnson
J. E. "Coach" Pressly
Bruce Shearer

Absent

Dr. Tara Deaver
Gary Johnson

Meeting was called to order by Board of Trustees President, Mr. Tommy Clark, at 6:32 p.m.

Pledge of Allegiance: United States & Texas

Mr. Clark led the group in the pledges.

Introduce New Employees

Mr. Ken Zartner, Vice President of Administrative Services, introduced the following new employees:

Madelyn Awalt, Grants Coordinator
Casey Brito, Student Success Coach
Nidia Cadena, Sports Center Secretary
Gladys Chavarria, A.D.N. Clinical Instruction/Sim Lab Coordinator
Angela Disley, College Connection Coach
Ashlynn Houston, Special Events Coordinator
Stephanie Millett, Writing Center Coordinator/English Faculty
Stephanie Purvis, Graham Center Caretaker
Liliana Ramirez, Clinical Coordinator, Associate Professor of Radiologic Technology
Mikala Reznik, PTA Program Director
Mattie Shaffer, LVN Dual Credit Instructor
Destiny Singh, Student Success Coach
Clara Nwobu, Assistant Professor of Associate Degree Nursing
Brenda Robinson, Student Success Coach

Approval of Minutes of Regular Meeting of May 28, 2019, and Special Meeting of June 20, 2019

Mr. Shearer moved, seconded by Mr. Bodiford, to approve the minutes of the Regular Meeting of May 28, 2019, and Special Meeting of June 20, 2019.

Motion passed unanimously.

Committee Reports

1. Finance Committee

- a. **Consider & Approve Resolution to Change Authorized Representatives for Local**

Government Investment Cooperative

Committee member, Mr. Shearer, stated that the Finance Committee met recently to consider new authorized representatives for the college with several entities.

Mr. Shearer shared the following resolution:

RESOLUTION CHANGING AUTHORIZED REPRESENTATIVES FOR LOCAL GOVERNMENT INVESTMENT COOPERATIVE

WHEREAS, Odessa College District (the "Government Entity") by authority of that certain Local Government Investment Cooperative Resolution (the "Resolution") has entered into that certain Interlocal Agreement (the "Agreement") and has become a participant in the public funds investment pool created thereunder known as Local Government Investment Cooperative ("LOGIC");

WHEREAS, the Resolution designated on one or more "Authorized Representatives" within the meaning of the Agreement;

WHEREAS, the Government Entity now wishes to update and designate the following persons as the "Authorized Representatives" within the meaning of the Agreement;

NOW, THEREFORE, BE IT RESOLVED:

The following officers, officials or employees of the Government Entity are hereby designated as "Authorized Representatives" within the meaning of the Agreement, with full power and authority to: deposit money to and withdraw money from the Government Entity's LOGIC account or accounts from time to time in accordance with the Agreement and the Information Statement describing the Agreement and to take all other actions deemed necessary or appropriate for the investment of funds of the Government Entity in LOGIC:

- 1. Name: Kristi Gibbs Title: Controller Phone: 432-335-6663
Signature: Email: kgibbs@odessa.edu
- 2. Name: Brandy Ham Title: Chief Financial Officer Phone: 432-335-6651
Signature: Email: bham@odessa.edu

{REQUIRED] PRIMARY CONTACT: List the name of the Authorized Representative listed above that will be designated as the Primary Contact and will receive all LOGIC correspondence including transaction confirmations and monthly statements.

Name: Kristi Gibbs

Applicant may designate other authorized representatives by written instrument signed by an existing Applicant Authorized Representative or Applicant's chief executive officer.

The foregoing supersedes and replaces the Government Entity's previous designation of officers, officials or employees of the Governmental Entity as Authorized Representatives under the Agreement pursuant to paragraph 4 of the Resolution. Except as hereby

modified, the Resolution shall remain in full force and effect.

PASSED AND APPROVED this 30th day of July, 2019

Odessa College District
Signed by: Board of Trustees President
Attested by: Board of Trustees Secretary

Mr. Shearer moved, seconded by Mr. Larry Johnson, to approve the Resolution Changing Authorized Representatives for Local Government Investment Cooperative (LOGIC).

Motion passed unanimously.

Mr. Shearer shared the following resolution:

Resolution Amending Authorized Representatives

WHEREAS, Odessa College District, Location Number 77404, (“Participant”) is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the Texas Local Government Investment Pool (“TexPool/TexPool Prime”), a public funds investment pool, were created on behalf of entities whose investment objective in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

- A. That the individuals, whose signatures appear in this Resolution, are Authorized Representatives of the Participant and are each hereby authorized to transmit funds for investment in TexPool/TexPool Prime and are each further authorized to withdraw funds from time to time, to issue letters of instruction, and to take all other actions deemed necessary or appropriate for the investment of local funds.
- B. That an Authorized Representative of the Participant may be deleted by a written instrument signed by two remaining Authorized Representatives provided that the deleted Authorized Representative (1) is assigned job duties that no longer require access to the Participant’s TexPool/TexPool Prime account or (2) is no longer employed by the Participant; and
- C. That the Participant may by Amending Resolution signed by the Participant add an Authorized Representative provided the additional Authorized Representative is an officer, employee, or agent of the Participant;

List the Authorized Representative(s) of the Participant. Any new individuals will be issued personal identification numbers to transact business with TexPool Participant Services.

1. Brandy Ham, Chief Financial Officer
432-335-6641 bham@odessa.edu
2. Kristi Gibbs, Controller
432-335-6663 kgibbs@odessa.edu
3. Gregory D. Williams, President
432-335-6410 gwilliams@odessa.edu

List the name of the Authorized Representative listed above that will have primary responsibility for performing transactions and receiving confirmations and monthly statements under the Participation Agreement: Kristi Gibbs

D. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexPool Participant Services receives a copy of any such amendment or revocation. This resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the 30th day of July, 2019.

Signed: Tommy Clark, Board President
Attest: Larry Johnson, Board Secretary

Mr. Shearer moved, seconded by Mr. Larry Johnson, to approve the Resolution Amending Authorized Representatives (TexPool).

Motion passed unanimously.

Mr. Shearer shared the following:

Name of Participant: Odessa College Participant Number 68501

Addition of Authorized Representative

In order to either (i) carry out the role of Investment Officer for the Participant or (ii) aid the Investment Officer of the Participant in the execution of his or her duties pursuant to Texas Government Code, Section 2256.003(c), as the case may be, the following officers, officials, employees, or contractors of the Participant are hereby designated as Authorized Representatives within the meaning of the Investment Agreement (Agreement). These designated Authorized Representatives have full power and authority to execute the Agreement and any other documents, as may be required to deposit money to and withdraw money from the Participant's Lone Star Investment Pool (Lone Star) account from time to time in accordance with the Agreement and the Information Statement, and take all other actions deemed necessary or appropriate for the investment of local funds of the Participant.

- Rep #1 – Brandy Ham, Chief Financial Officer, bham@odessa.edu
Rep #2 – Kristi Gibbs, Controller, kgibbs@odessa.edu
Rep #3 – Gregory D. Williams, President, gwilliams@odessa.edu

In accordance with Lone Star procedures, an Authorized Representative shall promptly notify Lone Star of any changes in who is serving as Authorized Representative.

In addition to the foregoing Authorized Representatives, each Investment Officer of Lone Star appointed by the Lone Star Board of Trustees from time to time is hereby designated as

an Investment Officer of the Government Entity and, as such, shall have responsibility for investing the share of Lone Star assets representing local funds of the Government Entity.

PASSED AND APPROVED THIS 30TH DAY OF JULY, 2019

By: Tommy Clark, Board President By: Larry Johnson, Board Secretary

Mr. Shearer moved, seconded by Mr. Neil Grape, to approve the Addition of Authorized Representative form (Lone Star Investment Pool).

Motion passed unanimously.

b. Consider & Approve Policy to Move a Designated Portion of the Increase in Unrestricted Funds Annually to Support Vision 2030

Mr. Shearer stated that the Finance Committee met recently to consider creating a policy to move a designated portion of the increase in unrestricted funds annually to support Vision 2030.

Dr. Gregory Williams, President, stated that Vision 2030 is a \$75 million dollar campus improvement project to support the Texas Higher Education Coordinating Board's 60x30TX initiative and prepare the campus for OC 10,000. We propose the creation of a new policy to allocate 25% of the increase in our unrestricted fund balance (per the annual audit) to support Vision 2030 through a board designated reserve.

Mr. Shearer moved, seconded by Mr. Larry Johnson, to create a policy to move 25% of the increase in unrestricted funds annually to support Vision 2030.

Motion passed unanimously.

c. Review of Proposed Budget for 2019-20 Fiscal Year

Ms. Brandy Ham, shared highlights of the proposed 2019-2020 budget. Ms. Ham stated that the proposed unrestricted current funds budget for FY2020 of \$51,745,312 reflects a \$3,309,190 (6.8%) increase in revenue and expenditures from the FY 2019 original budget. The total unrestricted revenue budget is projected to be slightly over \$51.7 million. Salaries and benefits reflect an increase of 6.6% (or \$2,043,000). There is a 5.7% increase in operating expenditures, a 74.3% increase in capital outlay budgets, and an increase of \$2,860,000 in non-mandatory transfer budgets.

d. Adoption of Budget for 2019-2020 Fiscal Year

Mr. Shearer stated that the Finance Committee met recently to review the proposed budget for 2019-2020 in detail.

Mr. Shearer moved, seconded by Mr. Grape, that the Odessa College District unrestricted operating budget for the year 2019-2020 in the amount of \$51,745,312 and the total budget including all other funds in the amount of \$65,560,255, be adopted and that a certified copy of the budget be filed with the Texas Higher Education Coordinating Board; and that said budget be included by reference in its entirety as part of the minutes of this meeting.

Motion passed unanimously.

2. **Property Committee**

a. **Report on Approval of Bid for Snap-on Tools & Certification Equipment for Sewell Auto Tech**

Committee member, Mr. Larry Johnson, stated that the Property Committee met recently to approve a bid for Snap-on tools and certification equipment for Sewell Auto Tech.

Mr. Larry Johnson moved, seconded by Mr. Shearer, to approve the bid from Snap-on Tools in the amount of \$88,000 for Snap-on tools & certification equipment for Sewell Auto Tech. (Non-required vote)

Motion passed unanimously.

b. **Report on Approval of Bid for Office & Classroom Furniture for Sewell Auto Tech**

Mr. Larry Johnson stated that the Property Committee met recently to approve a bid for office and classroom furniture for Sewell Auto Tech.

Mr. Larry Johnson moved, seconded by Mr. Bodiford, to approve the bid from Built for Dreams in the amount of \$146,968.86 for Dreams for office and classroom furniture for Sewell Auto Tech. (Non-required vote)

Motion passed unanimously.

c. **Report on Approval of Bid for Truck Driving Simulator**

Mr. Larry Johnson stated that the Property Committee met recently to approve a bid for a truck driving simulator.

Mr. Larry Johnson moved, seconded by Mr. Shearer, to approve the bid from Virage Simulation in the amount of \$115,000 for truck driving simulator. (Non-required vote)

Motion passed unanimously.

Monthly Financial Statements & Budget Amendments

Ms. Brandy Ham highlighted various areas of the financial statements and budget amendments as printed below:

(Kristi Gibbs will put financial reports in minute book)

Mr. Shearer moved, seconded by Mr. Grape, to approve the Monthly Financial Statements and Budget Amendments.

Motion passed unanimously.

Education Report

Dr. Jonathan Fuentes, Executive Dean for Academic Partnerships, shared details of the OC to UTPB *Teaching in 3* program, designed to help to alleviate the teacher shortage in the Permian Basin. Students will be able to complete a bachelor's degree in 3 years, taking Odessa College courses the first 1 ½ years and UTPB courses the final 1 ½ years. *Teaching in 3* is a certification program for Early Childhood through 6th grade that begins in Fall 2019. The hybrid model (courses offered online with face-to-face meetings) will be offered with three options: a daytime program, a nighttime program and a weekend program. Face-to-face classes allow for a cohort model as teachers move through the program together and are able to support each other during the course work and later in the classroom. A majority of the UTPB courses will be offered on the OC campus. The response to the program has been overwhelming. We have been contacted by over 130 prospective students with 80 students attending the information session held last night. Recruitment continues. There will be many onramps to this accelerated program. New students will be able to begin every 6 weeks. We are creating partnerships with our ISD and community partners and plan to deploy technology to offer this program at the extension sites.

Institutional Effectiveness Report

Dr. Don Wood, Vice President for Institutional Effectiveness, stated that the highest annual unduplicated enrollment under the 16-week terms was 7,363. Enrollment jumped to 7,464 with the first 8-week term and was up to 9,086 for 2018. The goal of OC 10,000 is to have 10,000 students in a fall semester. Our highest unduplicated enrollment for a Fall term under the 16-week terms was 5,268. Since the first 8-week term in 2014, there has been a steady increase in enrollment to a high of 6,618 in Fall 2018. In Fall 2018, Odessa College had the highest unduplicated enrollment in the entire region. From 2016-2018, Odessa College success points have increased by 20%, compared to a 3.3% decline at Midland College, a 7.8% increase at Howard College and a 5.7% increase in Texas.

President's Report

Welcome Week Begins August 12

Faculty members return to campus August 12th to begin the 2019-2020 school year. The week includes departmental meetings, professional development sessions, and new-faculty orientation. You are invited to join us for the all-employee breakfast on Wednesday, August 14, 8-10 a.m. in the cafeteria and for convocation on Friday, August 16, 8-10 a.m. in the Globe Theatre.

30 for 30 Fitness Challenge

The annual *30 for 30 Fitness Challenge* begins on September 1st. This year, registration began on July 1st to allow for more promotion of the event. Participants can register on the OC website or through the OC app. UTPB asked to participate this year and will host a walk on their campus on Saturday, September 7th, 8-9 a.m. This year's grand prize is a 7-night cruise for 4.

Recent Gifts to Odessa College

Recently, Odessa College received several gifts including:

- The Permian Basin International Oil Show's donation of \$80,000 to Energy Industrial scholarships – their largest contribution yet.
- The Permian Basin Association of Pipeliners donation of \$10,000 to scholarships for students studying in the oil and gas field – their first scholarship donation.
- Don & Tanya Wood's donation of \$50,000 to nursing scholarships for the summer terms. Nursing student attend year-round, but summer scholarship money is not usually available.

- Noble Energy’s \$10,000 sponsorship of Odessa College kids camps in Pecos.
- Harvey & Peggy Page’s \$100,000 donation to the Wrangler Club for support and golf scholarships.

Summer Enrollment

Summer enrollment, which includes MayMester, was the best in the history of the college with a total of 2,715 unduplicated students. Each Summer term saw an increase over last year.

Dance Team Awards

The OC Blues Dance team recently attended the *2019 National Dance Association Camp* on the SMU campus in Dallas. The Blues received 2 bids to compete at the *NCA & NDA Collegiate Cheer & Dance Competition* in Florida in April, 2020. In addition to the team success, Captain Cassidy Ayala won the title “Top Gun Hip Hop”. Cassidy & Team Lieutenant, Emerald Terrell, were nominated for the 2019-2020 All-American Dance Team.

Executive Session: (1) Consultation with Attorney – Section 551.071 of the Texas Open Meetings Act of the Texas Government Code: (2) Evaluation of Employee – Section 551.074 of the Texas Open Meetings Act of the Texas Government Code

Mr. Shearer moved, seconded by Mr. Abalos, to go into Executive Session.

Motion passed unanimously.

Time into Executive Session: 7:20 p.m.

Time out of Executive Session: 7:46 p.m.

Mr. Clark stated that no action was taken in the Executive Session.

Adjournment

The meeting was adjourned at 7:47 p.m.

Secretary

President

• **Board Policy Update 36**

Instruction Sheet
Community College Localized Policy Manual Update 36

Odessa College

Code	Type	Action To Be Taken	Note
ATTN	(NOTE)	No policy enclosed	See explanatory note
AB	(LOCAL)	Replace policy	Revised policy
BA	(LOCAL)	Replace policy	Revised policy
CIB	(LOCAL)	Replace policy	Revised policy
CR	(LEGAL)	Replace policy	Revised policy
CT	(LEGAL)	Replace policy	Revised policy
CU	(LEGAL)	Replace policy	Revised policy
DGBA	(LOCAL)	Replace policy	Revised policy
DMC	(LOCAL)	Replace policy	Revised policy
EFBA	(LEGAL)	Replace policy	Revised policy
EFCB	(LEGAL)	Replace policy	Revised policy
FLC	(LOCAL)	Replace policy	Revised policy
FLD	(LOCAL)	Replace policy	Revised policy
GB	(LOCAL)	Replace policy	Revised policy
GDA	(LOCAL)	Replace policy	Revised policy

Explanatory Notes

Community College Localized Policy Manual Update 36

Odessa College

ATTN(NOTE) GENERAL INFORMATION ABOUT THIS UPDATE

The following explanatory notes are intended to be read in conjunction with the annotated policies.

AB(LOCAL) COLLEGE DISTRICT NAME AND DEFINITIONS

Please review this policy to confirm that it reflects the college district's legal name. If you have revisions that you wish to submit, please contact your policy consultant for assistance with updating this policy.

Additionally, a nonsubstantive change to the policy template may appear tracked, even though the text remains the same. This change has been made at no charge.

BA(LOCAL) BOARD LEGAL STATUS

Please review this policy to confirm that it reflects the college district's legal name. If you have revisions that you wish to submit, please contact your policy consultant for assistance with updating this policy.

Additionally, a nonsubstantive change to the policy template may appear tracked, even though the text remains the same. This change has been made at no charge.

CIB(LOCAL) EQUIPMENT AND SUPPLIES MANAGEMENT: DISPOSAL OF PROPERTY

Recommended revisions to this policy are to clarify the methods by which the college district may dispose of unnecessary college district property that has value. The chief executive officer or designee may dispose of the property for fair market value or through a method expressly authorized by law. Alternatively, the chief executive officer or designee may propose a different method of disposal by the board after the board applies the gift of public funds test described by Texas Municipal League Intergovernmental Risk Pool, 74 S.W.3d 377 (Tex. 2002) and Texas Attorney General Opinion Number GA-76 (2003).

CR(LEGAL) TECHNOLOGY RESOURCES

Statutory citations have been updated in this legally referenced policy to reflect an Administrative Code amendment.

CT(LEGAL) INTELLECTUAL PROPERTY

Several revisions have been made throughout this legally referenced policy addressing intellectual property, including:

- A citation to a newly added section to the U.S. Copyright Law that extends most federal copyright protections to pre-1972 music recordings;
- The full list of infringing actions at Copyright Infringement;
- A prohibition on the Circumvention of Technological Measures; and
- The requirement for college districts to submit an Intellectual Property Policy to the Coordinating Board to receive state research funds.

CU(LEGAL) RESEARCH

This legally referenced policy has been revised to clarify the Institutional Review Board Common Rule for research involving human subjects.

Explanatory Notes
Community College Localized Policy Manual Update 36

Odessa College

DGBA(LOCAL) PERSONNEL-MANAGEMENT RELATIONS: EMPLOYEE GRIEVANCES

Recommended revisions to this policy at Other Complaint Processes are to clarify complaint processes concerning the withdrawal of consent to remain on campus, described in GDA further below.

DMC(LOCAL) TERMINATION OF EMPLOYMENT: REDUCTION IN FORCE

Revisions to this policy are recommended for consistency with policy style.

EFBA(LEGAL) DEGREES AND CERTIFICATES: ASSOCIATE DEGREES AND CERTIFICATES

Statutory citations have been updated in this legally referenced policy.

EFGB(LEGAL) SPECIAL PROGRAMS: ADULT EDUCATION AND LITERACY

This legally referenced policy has been revised to reflect recent amendments to Administrative Code Definitions pertaining to adult education and literacy programs.

FLC(LOCAL) STUDENT RIGHTS AND RESPONSIBILITIES: INTERROGATIONS AND SEARCHES

Provisions addressing the college district's authority to conduct searches of students and their belongings are recommended for inclusion in the college district's policy manual.

FLD(LOCAL) STUDENT RIGHTS AND RESPONSIBILITIES: STUDENT COMPLAINTS

Recommended revisions to this policy at Other Complaint Processes are to clarify complaint processes concerning the withdrawal of consent to remain on campus, described in GDA further below.

GB(LOCAL) PUBLIC COMPLAINTS AND HEARINGS

Recommended revisions to this policy at Other Complaint Processes are to clarify complaint processes concerning the withdrawal of consent to remain on campus, described in GDA further below.

GDA(LOCAL) COMMUNITY USE OF COLLEGE DISTRICT FACILITIES: CONDUCT ON COLLEGE DISTRICT PREMISES

Provisions addressing the Withdrawal of Consent to Remain on Campus are recommended for inclusion in the college district's policy manual.



(LOCAL) Policy Comparison Packet

This packet is generated by an automated process that compares the updated policy to the district's current policy as found in TASB records.

In this packet, you will find:

- Policies being recommended for revision (annotated)
- New policies (not annotated)

Policies recommended for deletion are not included. If you want to include the text of these policies in the information given to the Board, you may download them from *Policy On Line*.

Annotations are shown as follows.

- *Deletions* are shown in a red strike-through font: ~~deleted text~~.
- *Additions* are shown in a blue, bold font: **new text**.
- Blocks of text that have been *moved* without alteration are shown in green, with double underline and double strike-through formatting to distinguish the text's destination from its origin: ~~moved text~~ becomes moved text.
- *Revision bars* appear in the right margin, as above.

Note: While the annotation software competently identifies simple changes, large or complicated changes—as in an extensive rewrite—may be more difficult to follow. In addition, TASB's recent changes to the policy templates to facilitate accessibility sometimes makes formatting changes appear tracked, even though the text remains the same.

For further assistance in understanding policy changes, please refer to the explanatory notes in your Localized Policy Manual update packet or contact your policy consultant.

Contact:	School Districts and Education Service Centers	Community Colleges
	policy.service@tasb.org	colleges@tasb.org
	800.580.7529 512.467.0222	800.580.1488 512.467.3689

Odessa College
068501

COLLEGE DISTRICT NAME AND DEFINITIONS

AB
(LOCAL)

The corporate name of this college, as provided by law, is ~~Odessa College~~ **Odessa College**, herein referred to as "the College District."

DATE ISSUED: ~~4/30/2019~~ **3/3/2016**
UPDATE ~~3634~~
AB(LOCAL)-AJC

ADOPTED:

1 of 1

Odessa College
068501

BOARD LEGAL STATUS

BA
(LOCAL)

The official title of the governing body of the College District shall be the ~~Odessa College~~ ~~Odessa College~~ Board of Trustees, herein referred to as "the Board."

DATE ISSUED: 4/30/2019~~3/3/2016~~
UPDATE 36~~34~~
BA(LOCAL)-AJC

ADOPTED:

1 of 1

EQUIPMENT AND SUPPLIES MANAGEMENT
DISPOSAL OF PROPERTY

CIB
(LOCAL)

**Disposal of College
District Property**

The ~~College President~~ ~~College President~~ or designee is authorized to declare College District ~~personal property, including materials, equipment, vehicles, and supplies,~~ to be unnecessary.

If the ~~and shall dispose of~~ unnecessary property has value, the College President or designee shall:

1. Dispose of the unnecessary property ~~materials, equipment, and supplies~~ for fair market value;
2. Dispose of the unnecessary property through a method expressly authorized by law; or
3. Recommend to the Board for approval an alternative method of disposal for less than fair market value. Before approving the disposal of the unnecessary property for less than fair market value, the Board shall determine that the conveyance is not a gift of public funds by making the following findings:
 - a. The predominant purpose of the alternative method of disposal is to accomplish a public purpose, not to benefit private parties;
 - b. The Board shall retain sufficient control over the disposed items to ensure the public purpose is accomplished and to protect the public's investment; and
 - c. The College District shall receive a return benefit.

~~If~~ the unnecessary property has no value, the ~~College President~~ ~~College President~~ or designee may dispose of such property according to administrative discretion.

Items obtained ~~with federal funds~~ or as federal surplus shall be managed according to federal regulations.

**Disposal of
Abandoned or
Unclaimed Personal
Property**

The ~~director of campus security~~ ~~director of campus security~~ is authorized to dispose of ~~a third parties'~~ abandoned and unclaimed personal property in accordance with College District regulations. These regulations shall address, but not be limited to, the following topics::

1. Notices of lost and found locations posted at appropriate places or described in College District publications and that include procedures for reclaiming lost articles and time frames for the College District to dispose of unclaimed property.
2. A range of options for locating owners of abandoned property that is not turned in to a lost and found location. These options may address such items as abandoned cars or other large items.

EQUIPMENT AND SUPPLIES MANAGEMENT
DISPOSAL OF PROPERTY

CIB
(LOCAL)

3. Disposal procedures including donations to charity or student organizations, sales, and auctions.

Any monies realized from disposal of unclaimed or abandoned personal property shall be deposited in the College District's general fund.

[For the applicability of the abandoned property procedures under Property Code Chapter 76, see CD]

PERSONNEL-MANAGEMENT RELATIONS
EMPLOYEE GRIEVANCES

DGBA
(LOCAL)

Guiding Principles

Informal Process

The Board encourages employees to discuss their concerns with their supervisor or other appropriate administrator who has the authority to address the concerns.

Concerns should be expressed as soon as possible to allow early resolution at the lowest possible administrative level.

Informal resolution shall be encouraged but shall not extend any deadlines in this policy, except by mutual written consent.

Formal Process

An employee may initiate the formal process described below by timely filing a written complaint form.

Even after initiating the formal complaint process, employees are encouraged to seek informal resolution of their concerns. An employee whose concerns are resolved may withdraw a formal complaint at any time.

The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor to require a full evidentiary hearing or "mini-trial" at any level.

Complaints Against Supervisors

Complaints alleging a violation of law by a supervisor may be made to the ~~College President~~ College President or designee. Complaint forms alleging a violation of law by the ~~College President~~ College President may be submitted directly to the Board or designee.

Notice to Employees

The College District shall inform employees of this policy through appropriate College District publications.

Freedom from Retaliation

Neither the Board nor any College District employee shall unlawfully retaliate against an employee for bringing a concern or complaint.

Whistleblower Complaints

Whistleblower complaints shall be filed within the time specified by law. Such complaints shall first be filed in accordance with ~~Level Three~~ LEVEL THREE, below. Time lines for the employee and the College District set out in this policy may be shortened to allow the Board to make a final decision within 60 days of the initiation of the complaint. [See DG]

Complaints

In this policy, the terms "complaint" and "grievance" shall have the same meaning.

Other Complaint Processes

Employee complaints shall be filed in accordance with this policy, except as required by the policies listed below. Some of these policies require appeals to be submitted in accordance with DGBA after the relevant complaint process:

PERSONNEL-MANAGEMENT RELATIONS
EMPLOYEE GRIEVANCES

DGBA
(LOCAL)

1. Complaints alleging discrimination, including violations of Title IX (gender), Title VII (sex, race, color, religion, national origin), ADEA (age), or Section 504 (disability). [See DIAA and DIAB]
2. Complaints alleging certain forms of harassment, including harassment by a supervisor and violations of Title VII. [See DIAA and DIAB]
3. Complaints concerning retaliation relating to discrimination and harassment. [See DIAA and DIAB]
4. Complaints concerning a commissioned peace officer who is an employee of the College District. [See CHA]
5. Complaints concerning an employment preference for former foster children. [See DC]
6. Complaints arising from the dismissal of term contract faculty members. [See DMAA]
7. Complaints concerning the nonrenewal of term contract employees and those arising from the nonrenewal of term contract faculty members. [See DMAB]
1. Complaints concerning the withdrawal of consent to remain on campus. [See GDA]

General Provisions

Filing

Complaint forms and appeal notices may be filed by hand-delivery, by electronic communication, including ~~email~~ and fax, or by U.S. Mail. Hand-delivered filings shall be timely filed if received by the appropriate administrator or designee by the close of business on the deadline. Filings submitted by electronic communication shall be timely filed if they are received by the close of business on the deadline, as indicated by the date/time shown on the electronic communication. Mail filings shall be timely filed if they are post-marked by U.S. Mail on or before the deadline and received by the appropriate administrator or designated representative no more than three days after the deadline.

Scheduling
Conferences

The College District shall make reasonable attempts to schedule conferences at a mutually agreeable time. If the employee fails to appear at a scheduled conference, the College District may hold the conference and issue a decision in the employee's absence.

Response

At Levels One, Two, and Three, "response" shall mean a written communication to the employee from the appropriate administrator. Responses may be hand-delivered, sent by electronic communication to the employee's ~~email~~ address of record, or sent by U.S. Mail to the employee's mailing address of record. Mailed re-

PERSONNEL-MANAGEMENT RELATIONS
EMPLOYEE GRIEVANCES

DGBA
(LOCAL)

sponses shall be timely if they are postmarked by U.S. Mail on or before the deadline.

Days "Days" shall mean College District business days, unless otherwise noted. In calculating time lines under this policy, the day a document is filed is "day zero." The following business day is "day one."

Representative "Representative" means any person who or an organization that does not claim the right to strike and is designated by the employee to represent him or her in the complaint process.

The employee may designate a representative through written notice to the College District at any level of this process. If the employee designates a representative with fewer than three days' notice to the College District before a scheduled conference or hearing, the College District may reschedule the conference or hearing to a later date, if desired, in order to include the College District's counsel. The College District may be represented by counsel at any level of the process.

Consolidating Complaints

Complaints arising out of an event or a series of related events shall be addressed in one complaint. Employees shall not file separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

When two or more complaints are sufficiently similar in nature and remedy sought to permit their resolution through one proceeding, the College District may consolidate the complaints.

Untimely Filings

All time limits shall be strictly followed unless modified by mutual written consent.

If a complaint form or appeal notice is not timely filed, the complaint may be dismissed, on written notice to the employee, at any point during the complaint process. The employee may appeal the dismissal by seeking review in writing within ten days from the date of the written dismissal notice, starting at the level at which the complaint was dismissed. Such appeal shall be limited to the issue of timeliness.

Costs Incurred

Each party shall pay its own costs incurred in the course of the complaint.

Complaint and Appeal Forms

Complaints and appeals under this policy shall be submitted in writing on a form provided by the College District.

Copies of any documents that support the complaint should be attached to the complaint form. If the employee does not have copies of these documents, they may be presented at the Level One con-

PERSONNEL-MANAGEMENT RELATIONS
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ference. After the Level One conference, no new documents may be submitted by the employee unless the employee did not know the documents existed before the Level One conference.

A complaint or appeal form that is incomplete in any material aspect may be dismissed but may be refiled with all the required information if the refiled is within the designated time for filing.

Level One

Complaint forms must be filed:

- 4.8. Within 15 days of the date the employee first knew, or with reasonable diligence should have known, of the decision or action giving rise to the complaint or grievance; and
- 2.9. With the lowest level administrator who has the authority to remedy the alleged problem.

In most circumstances, employees shall file Level One complaints with their immediate supervisor. If the only administrator who has authority to remedy the alleged problem is the Level Two or Level Three administrator, the complaint may begin at Level Two or Level Three, respectively, following the procedure, including deadlines, for filing the complaint form at Level One.

If the complaint is not filed with the appropriate administrator, the receiving administrator must note the date and time the complaint form was received and immediately forward the complaint form to the appropriate administrator.

The appropriate administrator shall investigate as necessary and schedule a conference with the employee within ten days after receipt of the written complaint. The administrator may set reasonable time limits for the conference.

Absent extenuating circumstances, the administrator shall provide the employee a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the administrator may consider information provided at the Level One conference and any other relevant documents or information the administrator believes will help resolve the complaint.

Level Two

If the employee did not receive the relief requested at Level One or if the time for a response has expired, the employee may request a conference with the ~~vice president~~ vice-president or designee to appeal the Level One decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level

One response or, if no response was received, within ten days of the Level One response deadline.

After receiving notice of the appeal, the Level One administrator shall prepare and forward a record of the Level One complaint to the Level Two administrator. The employee may request a copy of the Level One record.

The Level One record shall include:

1. The original complaint form and any attachments.
2. All other documents submitted by the employee at Level One.
3. The written response issued at Level One and any attachments.
4. All other documents relied upon by the Level One administrator in reaching the Level One decision.

The Level Two administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents presented by the employee at Level One and identified in the Level Two appeal notice. At the conference, the employee may provide information concerning any documents or information relied upon by the administration for the Level One decision. The Level Two administrator may set reasonable time limits for the conference.

The Level Two administrator shall provide the employee a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Two administrator may consider the Level One record, information provided at the Level Two conference, and any other relevant documents or information the Level Two administrator believes will help resolve the complaint.

Recordings of the Level One and Level Two conferences, if any, shall be maintained with the Level One and Level Two records.

Level Three

If the employee did not receive the relief requested at Level Two or if the time for a response has expired, the employee may request a conference with the ~~College President~~ College President or designee to appeal the Level Two decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days after receipt of a response or, if no response was received, within ten days of the response deadline at Level Two.

PERSONNEL-MANAGEMENT RELATIONS
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After receiving notice of the appeal, the Level Two administrator shall prepare and forward a record of the Level Two complaint to the Level Three administrator. The employee may request a copy of the Level Two record.

The Level Two record shall include:

1. The Level One record.
2. The written response issued at Level Two and any attachments.
3. All other documents relied upon by the Level Two administrator in reaching the Level Two decision.

The Level Three administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level Two. At the conference, the employee may provide information concerning any documents or information relied upon by the administration for the Level Two decision. The Level Three administrator or designee may set reasonable time limits for the conference.

The Level Three administrator shall provide the employee a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Three administrator may consider the Level One and Level Two records, information provided at the Level Three conference, and any other relevant documents or information the Level Three administrator believes will help resolve the complaint.

Recordings of the Level One, Level Two, and Level Three conferences, if any, shall be maintained with the Level One, Level Two, and Level Three records.

Level Four

If the employee did not receive the relief requested at Level Three or if the time for a response has expired, the employee may appeal the decision to the Board.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days after receipt of a response or, if no response was received, within ten days of the Level Three response deadline.

The ~~College President~~ ~~College President~~ or designee shall inform the employee of the date, time, and place of the Board meeting at which the complaint will be on the agenda for presentation to the Board.

The ~~College President~~ ~~College President~~ or designee shall provide the Board with a record of the Level Three complaint. The employee may request a copy of the Level Three record.

The Level Three record shall include:

1. The Level One record.
2. The Level Two record.
3. The written response issued at Level Three and any attachments.
4. All other documents relied upon by the Level Three administrator in reaching the Level Three decision.

The appeal shall be limited to the issues and documents considered at Level Three, except that if at the Level Four hearing the administration intends to rely on evidence not included in the Level Three record, the administration shall provide the employee notice of the nature of the evidence at least three days before the hearing.

The College District shall determine whether the complaint will be presented in open or closed meeting in accordance with the Texas Open Meetings Act and other applicable law. [See BD]

The presiding officer may set reasonable time limits and guidelines for the presentation including an opportunity for the employee and administration to each make a presentation and provide rebuttal and an opportunity for questioning by the Board. The Board shall hear the complaint and may request that the administration provide an explanation for the decisions at the preceding levels.

In addition to any other record of the Board meeting required by law, the Board shall prepare a separate record of the Level Four presentation. The Level Four presentation, including the presentation by the employee or the employee's representative, any presentation from the administration, and questions from the Board with responses, shall be recorded by audio recording, video/audio recording, or court reporter.

The Board shall then consider the complaint. It may give notice of its decision orally or in writing at any time up to and including the next regularly scheduled Board meeting. If the Board does not make a decision regarding the complaint by the end of the next regularly scheduled meeting, the lack of a response by the Board upholds the administrative decision at Level Three.

TERMINATION OF EMPLOYMENT
REDUCTION IN FORCE

DMC
(LOCAL)

Definitions

Definitions used in this policy are as follows:

1. "Reduction in force (RIF)" means the dismissal of an instructor, professor, administrator, or other professional employee before the end of a contract term for reasons of financial exigency or program change. Nonrenewal of an employee's term contract is not a "reduction in force" as used in this policy.
2. "Financial exigency" means any decline in the Board's financial resources brought about by decline in enrollment, cuts in funding, decline in tax revenues, or any other actions or events that create a need for the College District to reduce financial expenditures for personnel.
3. "Program change" means any elimination, curtailment, or reorganization of a curriculum offering, program, or ~~College District~~ school operation because of a lack of student response to particular course offerings, legislative revisions to program funding, or a reorganization or consolidation of two or more divisions or departments.

General Grounds for Dismissal

All contracts and tenure documents shall, unless excepted by the Board, contain a provision that a reduction in force may take place when the Board determines that a financial exigency or program change requires that the contract or tenure of one or more instructors, administrators, or other professional employees be terminated. Such a determination constitutes the necessary cause for dismissal.

Employment Areas

A reduction in force may be implemented in one, several, or all employment areas. Employment areas shall be defined as:

1. Administration.
2. Associate degree programs.
3. Certificate degree programs.
4. Remedial and other programs.
5. Academic support programs, such as library or computer programs.
6. Counseling and support programs.
7. Other noninstructional professional staff.

Criteria for Decisions

Using the following criteria, the ~~College President~~ College President shall determine which particular employees shall be RIFed and shall submit the recommendation to the Board. ~~These criteria are listed in order of importance; the College President shall apply~~

TERMINATION OF EMPLOYMENT
REDUCTION IN FORCE

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(LOCAL)

~~them sequentially to the selected employment areas until the number of staff reductions necessary have been identified, i.e., if all necessary reductions can be accomplished by applying the certification criteria, it is not necessary to apply the performance or subsequent criteria.~~

1. Certification: Appropriate degree certificate and/or endorsement for current assignment required by the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) or the Coordinating Board.
2. Performance: Employee's effectiveness as reflected by the most recent written evaluations and/or other appraisal documentation.
3. Seniority: Years of service in the College District.
4. Professional Background: Professional education and work experience related to the current assignment.

These criteria are listed in order of importance. The College President shall apply them sequentially to the selected employment areas until the number of staff reductions necessary have been identified, i.e., if all necessary reductions can be accomplished by applying the certification criteria, it is not necessary to apply the performance or subsequent criteria.

Board Action

After considering the ~~College President~~ **College President's** recommendation, the Board shall determine which employees shall be dismissed. Each employee shall be given a statement of the reasons and conditions requiring such dismissal and shall, upon request, be given a hearing in accordance with the policy for termination during his or her contract. [See DMAA and DMB]

Appeals

Appeals of a dismissal due to a reduction in force shall be handled through the hearing afforded under DMAA or DMB, as appropriate, rather than the grievance policy.

Exception

Appeals of a dismissal due to a reduction in force of a former foster child entitled to an employment preference ~~[see DC]~~ shall be handled through the hearing afforded under DC. [See DC]

Rights of Employees Subject to RIF

An employee dismissed pursuant to this policy, if subsequently re-employed by the College District, shall be credited with the amount of local sick leave that had accrued at the time of dismissal.

Reemployment

Upon written request, an employee dismissed pursuant to this policy shall be notified in writing of any subsequent availability of the position for a period of one calendar year following the effective date of such dismissal. The notice shall be mailed to the address

TERMINATION OF EMPLOYMENT
REDUCTION IN FORCE

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(LOCAL)

that was on file for the former employee at the time of dismissal, unless the College District has been notified in writing of a change of address. A former employee so notified must respond to the Board in writing within ten calendar days of receipt of such notification if the person wishes to be considered for the position. Any individual who responds shall be considered for employment on the same basis as all other applicants.

STUDENT RIGHTS AND RESPONSIBILITIES
INTERROGATIONS AND SEARCHES

FLC
(LOCAL)

Searches in General College District officials may conduct searches of students, their belongings, and their vehicles in accordance with state and federal law and College District policy. Searches of students shall be conducted in a reasonable and nondiscriminatory manner.

College District officials may initiate a search in accordance with law, including, for example, based on reasonable suspicion, voluntary consent, or pursuant to College District policy providing for suspicionless security procedures, including the use of metal detectors.

In accordance with College District policies and procedures [see FLB], students are responsible for prohibited items found in their possession, including items in their personal belongings or in vehicles parked on College District property.

Reasonable Suspicion Searches Searches should be reasonable at their inception and in scope. If there is reasonable suspicion to believe that searching a student's person, belongings, or vehicle will reveal evidence of a violation of College District policy and procedures, a College District official may conduct a search in accordance with law and College District regulations.

Suspicionless Searches For purposes of this policy, a suspicionless search is a search carried out based on lawful security procedures, such as metal detector searches or random drug testing.

Use of Trained Dogs The College District reserves the right to use trained dogs to conduct screening for concealed prohibited items. Such procedures shall be unannounced. The dogs shall not be used with students; however, students may be asked to leave personal belongings in an area that will be screened. If a dog alerts to an item or an area, it may be searched by College District officials.

College District Property College District-provided technology, storage, and similar items are the property of the College District and are provided for student use as a matter of convenience. College District property is subject to search or inspection at any time without notice. Students have no expectation of privacy in College District property. Students shall be fully responsible for the security and contents of College District property assigned to them. Students shall not place or keep in College District-provided technology, storage, or similar item, any article or material prohibited by law or College District policy and procedures. A student shall be held responsible for any prohibited item found in College District property provided to the student.

Residence Hall Rooms Searches of student residence hall rooms shall be conducted in accordance with administrative procedures established by the College President ~~College President~~ or designee. The procedures

STUDENT RIGHTS AND RESPONSIBILITIES
INTERROGATIONS AND SEARCHES

FLC
(LOCAL)

shall describe the situations for which a search may be conducted and distinguish searches by College District officials from law enforcement searches.

**Searches Conducted
by Law Enforcement**

Searches and interrogations shall be conducted by College District police consistent with law and police department procedures.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT COMPLAINTS

FLD
(LOCAL)

Guiding Principles

Informal Process

The College District encourages students to discuss their concerns with the appropriate instructor or other campus administrator who has the authority to address the concerns.

Concerns should be expressed as soon as possible to allow early resolution at the lowest possible administrative level.

Informal resolution shall be encouraged but shall not extend any deadlines in this policy, except by mutual written consent.

Formal Process

A student may initiate the formal process described below by timely filing a written complaint form.

Even after initiating the formal complaint process, students are encouraged to seek informal resolution of their concerns. A student whose concerns are resolved may withdraw a formal complaint at any time.

The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor to require a full evidentiary hearing or "mini-trial" at any level.

Freedom from Retaliation

Neither the Board nor any College District employee shall unlawfully retaliate against any student for bringing a concern or complaint.

Notice to Students

The College District shall inform students of this policy through appropriate College District publications.

Complaints

In this policy, the terms "complaint" and "grievance" shall have the same meaning.

Other Complaint Processes

Student complaints shall be filed in accordance with this policy, except as required by the policies listed below. Some of these policies require appeals to be submitted in accordance with FLD after the relevant complaint process:

1. Complaints alleging discrimination or harassment based on race, color, sex, gender, national origin, disability, age, or religion. [See FFDA and FFDB]
2. Complaints concerning retaliation relating to discrimination and harassment. [See FFDA and FFDB]
3. Complaints concerning disciplinary decisions. [See FMA]
4. Complaints concerning a commissioned peace officer who is an employee of the College District. [See CHA]
5. Complaints concerning the withdrawal of consent to remain on campus. [See GDA]

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT COMPLAINTS

FLD
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General Provisions

Filing

Complaint forms and appeal notices may be filed by hand-delivery, electronic communication, including ~~email~~-mail and fax, or U.S. Mail. Hand-delivered filings shall be timely filed if received by the appropriate administrator or designee by the close of business on the deadline. Filings submitted by electronic communication shall be timely filed if they are received by the close of business on the deadline, as indicated by the date/time shown on the electronic communication. Mail filings shall be timely filed if they are post-marked by U.S. Mail on or before the deadline and received by the appropriate administrator or designated representative no more than three days after the deadline.

Scheduling
Conferences

The College District shall make reasonable attempts to schedule conferences at a mutually agreeable time. If a student fails to appear at a scheduled conference, the College District may hold the conference and issue a decision in the student's absence.

Response

At Levels One, Two, and Three, "response" shall mean a written communication to the student from the appropriate administrator. Responses may be hand-delivered, sent by electronic communication to the student's ~~email~~-mail address of record, or sent by U.S. Mail to the student's mailing address of record. Mailed responses shall be timely if they are postmarked by U.S. Mail on or before the deadline.

Days

"Days" shall mean College District business days. In calculating time lines under this policy, the day a document is filed is "day zero." The following day is "day one."

Representative

"Representative" shall mean any person who or organization that is designated by the student to represent the student in the complaint process.

The student may designate a representative through written notice to the College District at any level of this process. If the student designates a representative with fewer than three days' notice to the College District before a scheduled conference or hearing, the College District may reschedule the conference or hearing to a later date, if desired, in order to include the College District's counsel. The College District may be represented by counsel at any level of the process.

**Consolidating
Complaints**

Complaints arising out of an event or a series of related events shall be addressed in one complaint. A student shall not file separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT COMPLAINTS

FLD
(LOCAL)

Untimely Filings

All time limits shall be strictly followed unless modified by mutual written consent.

If a complaint form or appeal notice is not timely filed, the complaint may be dismissed, on written notice to the student, at any point during the complaint process. The student may appeal the dismissal by seeking review in writing within ten days from the date of the written dismissal notice, starting at the level at which the complaint was dismissed. Such appeal shall be limited to the issue of timeliness.

Costs Incurred

Each party shall pay its own costs incurred in the course of the complaint.

Complaint and Appeal Forms

Complaints and appeals under this policy shall be submitted in writing on a form provided by the College District.

Copies of any documents that support the complaint should be attached to the complaint form. If the student does not have copies of these documents, copies may be presented at the Level One conference. After the Level One conference, no new documents may be submitted by the student unless the student did not know the documents existed before the Level One conference.

A complaint or appeal form that is incomplete in any material aspect may be dismissed but may be refiled with all the required information if the refiled is within the designated time for filing.

Level One

Complaint forms must be filed:

1. Within 15 days of the date the student first knew, or with reasonable diligence should have known, of the decision or action giving rise to the complaint or grievance; and
2. With the lowest level administrator who has the authority to remedy the alleged problem.

In most circumstances, students shall file Level One complaints with the department chairperson or student services counselor. If the only administrator who has authority to remedy the alleged problem is the Level Two or Level Three administrator, the complaint may begin at Level Two or Level Three, respectively, following the procedure, including deadlines, for filing the complaint form at Level One.

If the complaint is not filed with the appropriate administrator, the receiving administrator must note the date and time the complaint form was received and immediately forward the complaint form to the appropriate administrator.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT COMPLAINTS

FLD
(LOCAL)

The appropriate administrator shall investigate as necessary and schedule a conference with the student within ten days after receipt of the written complaint. The administrator may set reasonable time limits for the conference.

Absent extenuating circumstances, the administrator shall provide the student a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the administrator may consider information provided at the Level One conference and any relevant documents or information the administrator believes will help resolve the complaint.

Level Two

If the student did not receive the relief requested at Level One or if the time for a response has expired, the student may request a conference with the academic dean or dean of students to appeal the Level One decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level One response or, if no response was received, within ten days of the Level One response deadline.

After receiving notice of the appeal, the Level One administrator shall prepare and forward a record of the Level One complaint to the Level Two administrator. The student may request a copy of the Level One record.

The Level One record shall include:

1. The original complaint form and any attachments.
2. All other documents submitted by the student at Level One.
3. The written response issued at Level One and any attachments.
4. All other documents relied upon by the Level One administrator in reaching the Level One decision.

The Level Two administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level One. At the conference, the student may provide information concerning any documents or information relied on by the administration for the Level One decision. The Level Two administrator may set reasonable time limits for the conference.

The Level Two administrator shall provide the student a written response within ten days following the conference. The written re-

sponse shall set forth the basis of the decision. In reaching a decision, the Level Two administrator may consider the Level One record, information provided at the Level Two conference, and any other relevant documents or information the Level Two administrator believes will help resolve the complaint.

Recordings of the Level One and Level Two conferences, if any, shall be maintained with the Level One and Level Two records.

Level Three

If the student did not receive the relief requested at Level Two or if the time for a response has expired, the student may request a conference with the ~~College President~~ **College President** or designee to appeal the Level Two decision.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level Two response or, if no response was received, within ten days of the Level Two response deadline.

After receiving notice of the appeal, the Level Two administrator shall prepare and forward a record of the Level Two complaint to the Level Three administrator. The student may request a copy of the Level Two record.

The Level Two record shall include:

1. The Level One record.
2. The written response issued at Level Two and any attachments.
3. All other documents relied upon by the Level Two administrator in reaching the Level Two decision.

The Level Three administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level Two. At the conference, the student may provide information concerning any documents or information relied on by the administration for the Level Two decision. The Level Three administrator may set reasonable time limits for the conference.

The Level Three administrator shall provide the student a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Three administrator may consider the Level One and Level Two records, information provided at the Level Three conference, and any other relevant documents or information the Level Three administrator believes will help resolve the complaint.

STUDENT RIGHTS AND RESPONSIBILITIES
STUDENT COMPLAINTS

FLD
(LOCAL)

Recordings of the Level One, Level Two, and Level Three conferences, if any, shall be maintained with the Level One, Level Two, and Level Three records.

Level Four

If the student did not receive the relief requested at Level Three or if the time for a response has expired, the student may appeal the decision to the Board.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days after receipt of the written Level Three response, or, if no response was received, within ten days of the Level Three response deadline.

The ~~College President~~ ~~College President~~ or designee shall inform the student of the date, time, and place of the Board meeting at which the complaint will be on the agenda for presentation to the Board.

The ~~College President~~ ~~College President~~ or designee shall provide the Board the record of the Level Three complaint. The student may request a copy of the Level Three record.

The Level Three record shall include:

1. The Level One record.
2. The Level Two record.
3. The written response issued at Level Three and any attachments.
4. All other documents relied upon by the administration in reaching the Level Three decision.

The appeal shall be limited to the issues and documents considered at Level Three, except that if at the Level Four hearing the administration intends to rely on evidence not included in the Level Three record, the administration shall provide the student notice of the nature of the evidence at least three days before the hearing.

The College District shall determine whether the complaint will be presented in open or closed meeting in accordance with the Texas Open Meetings Act and other applicable law. [See BD]

The presiding officer may set reasonable time limits and guidelines for the presentation, including an opportunity for the student and administration to each make a presentation and provide rebuttal and an opportunity for questioning by the Board. The Board shall hear the complaint and may request that the administration provide an explanation for the decisions at the preceding levels.

STUDENT RIGHTS AND RESPONSIBILITIES
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In addition to any other record of the Board meeting required by law, the Board shall prepare a separate record of the Level Four presentation. The Level Four presentation, including the presentation by the student or the student's representative, any presentation from the administration, and questions from the Board with responses, shall be recorded by audio recording, video/audio recording, or court reporter.

The Board shall then consider the complaint. It may give notice of its decision orally or in writing at any time up to and including the next regularly scheduled Board meeting. If for any reason the Board fails to reach a decision regarding the complaint by the end of the next regularly scheduled meeting, the lack of a response by the Board upholds the administrative decision at Level Three.

PUBLIC COMPLAINTS AND HEARINGS

GB
(LOCAL)

Guiding Principles

Informal Process

The Board encourages the public to discuss concerns with an appropriate administrator who has the authority to address the concerns.

Concerns should be expressed as soon as possible to allow early resolution at the lowest possible administrative level.

Informal resolution shall be encouraged but shall not extend any deadlines in this policy, except by mutual written consent.

Formal Process

An individual may initiate the formal process described below by timely filing a written complaint form.

Even after initiating the formal complaint process, individuals are encouraged to seek informal resolution of their concerns. An individual whose concerns are resolved may withdraw a formal complaint at any time.

The process described in this policy shall not be construed to create new or additional rights beyond those granted by law or Board policy, nor to require a full evidentiary hearing or "mini-trial" at any level.

Freedom from Retaliation

Neither the Board nor any College District employee shall unlawfully retaliate against any individual for bringing a concern or complaint.

Complaints

In this policy, the terms "complaint" and "grievance" shall have the same meaning.

Other Complaint Processes

~~This policy shall apply to all complaints~~ from the public shall be filed in accordance with this policy, except as required by the policies listed below. Some of these policies ~~complaints regarding a commissioned peace officer who is an employee of the College District. [See CHA]. The policy may~~ require appeals to be submitted in accordance with GB after the relevant complaint process:

1. Complaints concerning a commissioned peace officer who is an employee of the College District. [See CHA]
2. Complaints concerning the withdrawal of consent to remain on campus. [See GDA]

General Provisions

Filing

Complaint forms and appeal notices may be filed by hand-delivery, by electronic communication, including ~~email~~ and fax, or by U.S. Mail. Hand-delivered filings shall be timely filed if received by the appropriate administrator or designee by the close of business on the deadline. Filings submitted by electronic communication shall be timely filed if they are received by the close of business on the deadline, as indicated by the date/time shown on the electronic

communication. Mail filings shall be timely filed if they are post-marked by U.S. Mail on or before the deadline and received by the appropriate administrator or designated representative no more than three days after the deadline.

**Scheduling
Conferences**

The College District shall make reasonable attempts to schedule conferences at a mutually agreeable time. If the individual fails to appear at a scheduled conference, the College District may hold the conference and issue a decision in the individual's absence.

Response

At Levels One and Two, "response" shall mean a written communication to the individual from the appropriate administrator. Responses may be hand-delivered, sent by electronic communication to the individual's ~~email~~-mail address of record, or sent by U.S. Mail to the individual's mailing address of record. Mailed responses shall be timely if they are postmarked by U.S. Mail on or before the deadline.

Days

"Days" shall mean College District business days. In calculating time lines under this policy, the day a document is filed is "day zero." The following day is "day one."

Representative

"Representative" shall mean any person who or organization that is designated by an individual to represent the individual in the complaint process.

The individual may designate a representative through written notice to the College District at any level of this process. If the individual designates a representative with fewer than three days' notice to the College District before a scheduled conference or hearing, the College District may reschedule the conference or hearing to a later date, if desired, in order to include the College District's counsel. The College District may be represented by counsel at any level of the process.

**Consolidating
Complaints**

Complaints arising out of an event or a series of related events shall be addressed in one complaint. An individual shall not file separate or serial complaints arising from any event or series of events that have been or could have been addressed in a previous complaint.

Untimely Filings

All time limits shall be strictly followed unless modified by mutual written consent.

If a complaint form or appeal notice is not timely filed, the complaint may be dismissed, on written notice to the individual, at any point during the complaint process. The individual may appeal the dismissal by seeking review in writing within ten days from the date of the written dismissal notice, starting at the level at which the

complaint was dismissed. Such appeal shall be limited to the issue of timeliness.

Costs Incurred

Each party shall pay its own costs incurred in the course of the complaint.

Complaint and Appeal Forms

Complaints and appeals under this policy shall be submitted in writing on a form provided by the College District.

Copies of any documents that support the complaint should be attached to the complaint form. If the individual does not have copies of these documents, they may be presented at the Level One conference. After the Level One conference, no new documents may be submitted by the individual unless the individual did not know the documents existed before the Level One conference.

A complaint or appeal form that is incomplete in any material aspect may be dismissed, but may be refiled with all the required information if the refiled is within the designated time for filing.

Level One

Complaint forms must be filed:

1. Within 15 days of the date the individual first knew, or with reasonable diligence should have known, of the decision or action giving rise to the complaint or grievance; and
2. With the lowest level administrator who has the authority to remedy the alleged problem.

If the only administrator who has authority to remedy the alleged problem is the ~~College President~~ or designee, the complaint may begin at Level Two following the procedure, including deadlines, for filing the complaint form at Level One.

The appropriate administrator shall investigate as necessary and schedule a conference with the individual within ten days after receipt of the written complaint. The administrator may set reasonable time limits for the conference.

Absent extenuating circumstances, the administrator shall provide the individual a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the administrator may consider information provided at the Level One conference and any relevant documents or information.

Level Two

If the individual did not receive the relief requested at Level One or if the time for a response has expired, he or she may request a conference with the ~~College President~~ or designee to appeal the Level One decision.

The appeal notice must be filed in writing, on a form provided by the District, within ten days of the date of the written Level One response or, if no response was received, within ten days of the Level One response deadline.

After receiving notice of the appeal, the Level One administrator shall prepare and forward a record of the Level One complaint to the Level Two administrator. The individual may request a copy of the Level One record.

The Level One record shall include:

1. The original complaint form and any attachments.
2. All other documents submitted by the individual at Level One.
3. The written response issued at Level One and any attachments.
4. All other documents relied upon by the Level One administrator in reaching the Level One decision.

The Level Two administrator shall schedule a conference within ten days after the appeal notice is filed. The conference shall be limited to the issues and documents considered at Level One. At the conference, the individual may provide information concerning any documents or information relied upon by the administration for the Level One decision. The Level Two administrator may set reasonable time limits for the conference.

The Level Two administrator shall provide the individual a written response within ten days following the conference. The written response shall set forth the basis of the decision. In reaching a decision, the Level Two administrator may consider the Level One record, information provided at the Level Two conference, and any other relevant documents or information the Level Two administrator believes will help resolve the complaint.

Recordings of the Level One and Level Two conferences, if any, shall be maintained with the Level One and Level Two records.

Level Three

If the individual did not receive the relief requested at Level Two or if the time for a response has expired, he or she may appeal the decision to the Board.

The appeal notice must be filed in writing, on a form provided by the College District, within ten days of the date of the written Level Two response or, if no response was received, within ten days of the Level Two response deadline.

PUBLIC COMPLAINTS AND HEARINGS

GB
(LOCAL)

The ~~College President~~ ~~College President~~ or designee shall inform the individual of the date, time, and place of the Board meeting at which the complaint will be on the agenda for presentation to the Board.

The ~~College President~~ ~~College President~~ or designee shall provide the Board with the record of the Level Two complaint. The individual may request a copy of the Level Two record.

The Level Two record shall include:

1. The Level One record.
2. The written response issued at Level Two and any attachments.
3. All other documents relied upon by the administration in reaching the Level Two decision.

The appeal shall be limited to the issues and documents considered at Level Two, except that if at the Level Three hearing the administration intends to rely on evidence not included in the Level Two record, the administration shall provide the individual notice of the nature of the evidence at least three days before the hearing.

The College District shall determine whether the complaint will be presented in open or closed meeting in accordance with the Texas Open Meetings Act and other applicable law. [See BD]

The presiding officer may set reasonable time limits and guidelines for the presentation including an opportunity for the individual and administration to each make a presentation and provide rebuttal and an opportunity for questioning by the Board. The Board shall hear the complaint and may request that the administration provide an explanation for the decisions at the preceding levels.

In addition to any other record of the Board meeting required by law, the Board shall prepare a separate record of the Level Three presentation. The Level Three presentation, including the presentation by the individual or his or her representative, any presentation from the administration, and questions from the Board with responses, shall be recorded by audio recording, video/audio recording, or court reporter.

The Board shall then consider the complaint. It may give notice of its decision orally or in writing at any time up to and including the next regularly scheduled Board meeting. If the Board does not make a decision regarding the complaint by the end of the next regularly scheduled meeting, the lack of a response by the Board upholds the administrative decision at Level Two.

COMMUNITY USE OF COLLEGE DISTRICT FACILITIES
CONDUCT ON COLLEGE DISTRICT PREMISES

GDA
(LOCAL)

**Withdrawal of
Consent to Remain
on Campus**

In accordance with law, during a period of disruption, the College President or designee may notify a person that consent to remain on a College District campus or facility has been withdrawn for no longer than 14 days if there is reasonable cause to believe that the person willfully disrupted the orderly operation of the College District and that his or her presence on College District property will constitute a substantial and material threat to the orderly operation of the College District.

Hearing Procedures

A party from whom consent has been withdrawn may request a hearing on the withdrawal to be held in accordance with law.

Appeal

The person may appeal the outcome of the hearing through the applicable grievance policy beginning at the appropriate level. [See DGBA(LOCAL) for employees, FLD(LOCAL) for students, and GB(LOCAL) for community members]

**Tobacco and
E-cigarettes**

The College District prohibits the use of tobacco products and e-cigarettes on College District property, in College District vehicles, and at College District-related activities, unless authorized by the College President or designee.

"E-cigarette" means an electronic cigarette or any other device that simulates smoking by using a mechanical heating element, battery, or electronic circuit to deliver nicotine or other substances to the individual inhaling from the device. The term does not include a prescription medical device unrelated to the cessation of smoking. The term includes:

1. A device described by this definition regardless of whether the device is manufactured, distributed, or sold as an e-cigarette, e-cigar, or e-pipe or under another product name or description; and
2. A component, part, or accessory for the device, regardless of whether the component, part, or accessory is sold separately from the device.

**Changes from
Board President
to
Board Chair**

Code	Type
BBE	Local
BCA	Local
BCAC	Local
BCB	Local
BD	Local

**BOARD MEMBERS
AUTHORITY**

**BBE
(LOCAL)**

Board Authority

The Board has final authority to determine and interpret the policies that govern the College District and, within the limits imposed by other legal authorities, has complete and full control of the College District.

**Transacting
Business**

Official Board action shall be taken only in meetings that comply with the Open Meetings Act. The affirmative vote of a majority of all Board members shall be required to transact business. [See BD] Each action of the Board supported by the majority is binding on the whole Board.

**Individual Authority
for Committing the
Board**

Board members as individuals shall not exercise authority over the College District, its property, or its employees. Except for appropriate duties and functions of the Board **Chair/President**, an individual member may act on behalf of the Board only with the express authorization of the Board. Without such authorization, no individual member may commit the Board on any issue. [See BCAB]

**Individual Access to
Information**

An individual Board member, acting in his or her official capacity, shall have the right to seek information pertaining to College District fiscal affairs, business transactions, governance, and personnel matters, including information that properly may be withheld from members of the general public in accordance with the Public Information Chapter of the Government Code. [See GCA]

Limitations

An individual member shall not have access to confidential student records unless the member is acting in his or her official capacity and has a legitimate educational interest in the records in accordance with policies FJ(LEGAL) and (LOCAL).

**Requests for
Records**

Individual members shall seek access to records or request copies of records from the College President or other designated custodian of records. When a custodian of records other than the College President provides access to records or copies of records to individual Board members, the provider shall inform the College President of the records provided.

**Requests for
Reports**

Directives to the College President or other College District staff regarding the preparation of reports that will, in the opinion of the College President, require excessive staff time or expense shall be authorized by action of the Board.

Confidentiality

At the time Board members are provided access to confidential records or to reports compiled from such records, the College President or other College District employee shall advise them of their responsibility to comply with confidentiality requirements.

**Referring
Complaints**

**BOARD MEMBERS
AUTHORITY**

**BBE
(LOCAL)**

If employees, students, or citizens bring a concern or complaint to an individual Board member, he or she shall refer them to the College President or designee, who shall proceed according to appropriate Board policy. [See DGBA, FLD, and GB]

When the concern or complaint directly pertains to the Board's own actions or policy, for which there is no administrative remedy, the Board member may request that the issue be placed on the agenda.

Staff Authority

Except as authorized by these policies, no employee or agent shall have the authority to bind the College District contractually.

BOARD INTERNAL ORGANIZATION
BOARD OFFICERS AND OFFICIALS

BCA
(LOCAL)

Board officers will be elected at the regular Board meeting in May, in nonelection years, and at the first regular or called meeting in May after all election and runoff elections are completed.

Board Officers

The Board shall elect a ChairPresident, ~~aa -ViceVice ChairPresident~~, a Secretary, and an Assistant Secretary who shall be members of the Board. The Board may assign a District employee to provide clerical assistance to the Board. Officers shall be elected by majority vote of the members present and voting.

Term and Duties

Board officers shall serve for a term of one year or until a successor is elected. Officers may succeed themselves in office. Each officer shall perform any legal duties of the office and other duties, as required by the Board.

Vacancy

A vacancy among officers of the Board, other than the ChairPresident, shall be filled by majority action of the Board. A vacancy in the ChairPresidency shall be filled by the Vice ChairVice-President, and a new Vice ChairVice-President shall be elected.

BOARD OFFICERS AND OFFICIALS
DUTIES AND REQUIREMENTS OF VICE-PRESIDENT

BCAC
(LOCAL)

The ~~Vice Chair~~~~Vice-President~~ of the Board shall:

1. Act in the capacity and perform the duties of the ~~Chair~~~~President~~ of the Board in the event of the absence or incapacity of the ~~Chair~~~~President~~.
2. Automatically become ~~Chair~~~~President~~ of the Board if a vacancy in that office occurs.
3. Perform other duties as prescribed by the Board.

If the ~~Vice Chair~~~~Vice-President~~ becomes ~~Chair~~~~President~~ of the Board, a new ~~Vice Chair~~~~Vice-President~~ shall be chosen by Board election. [See BCA]

BOARD INTERNAL ORGANIZATION
BOARD COMMITTEES

BCB
(LOCAL)

**Standing
Committees**

The following standing committees shall be established:

- Personnel/Policy Committee
- Insurance Committee
- Property Committee
- Finance Committee
- Sports Committee

The Board **Chair/President** shall recommend the chairperson for each committee subject to Board approval. The College President shall recommend for Board approval members to serve on each committee.

Standing committees shall meet at the call of the chairperson and shall be advisory in nature.

Special Committees

The Board **Chair/President** may appoint special committees as necessary to fulfill specific assignments. The function of these committees shall be fact-finding, deliberative, and advisory, but not administrative. Special committees shall report their findings to the Board and shall be dissolved upon completion of the assigned task or at the will of the Board.

All Committees

The Board **Chair/President** and the College President shall be ex officio members of all committees.

**Committee
Authority**

Committees may act for the Board only within specific authority granted by the Board. With the exception of the property committee, for committee action to be binding on the Board, it must be reported to the Board at its next meeting for approval and entry into the minutes as a public record.

Should a Board committee be in a position of taking action on behalf of the full Board, or taking action that would bind the full Board, posting requirements shall be followed in accordance with those applicable to the full Board.

Property Committee

The property committee shall be authorized to make final decisions on behalf of the Board in accordance with Board-adopted policy and state law.

BOARD MEETINGS

BD
(LOCAL)

Meeting Place and Time

The notice for a Board meeting shall reflect the date, time, and location of the meeting.

Regular Meetings

Regular meetings of the Board shall typically be held on the fourth Tuesday of each month at 6:30 p.m. When determined necessary and for the convenience of Board members, the Board ~~Chair~~**President** may change the date, time, or location of a regular meeting with proper notice.

Board meetings shall not normally be held in June or November of each year.

If a quorum is not present at the time of the scheduled meeting, the Board members who are present shall wait 15 minutes.

Special or
Emergency
Meetings

The Board ~~Chair~~**President** shall call a special meeting at the Board ~~Chair's~~**President's** discretion or on request by three members of the Board.

The Board ~~Chair~~**President** shall call an emergency meeting when it is determined by the Board ~~Chair~~**President** or four members of the Board that an emergency or urgent public necessity, as defined by law, warrants the meeting.

Agenda

Submission of
Topics

A Board member may request that a subject be included on the agenda for a meeting. The deadline for submitting items for inclusion on the agenda is 5:00 p.m. on the fifth calendar day before regular meetings and 5:00 p.m. on the fifth calendar day before special meetings.

Preparation

The College President shall compile for review by the Board ~~Chair~~**President** all topics timely submitted by Board members, topics requested by the Board, and topics suggested by the College President.

The Board ~~Chair~~**President** and the College President shall confer regarding the proposed topics, and the Board ~~Chair~~**President** shall determine the topics for the official meeting agenda. The Board ~~Chair~~**President** shall ensure that any topic the Board or individual Board members have requested be addressed are either on the meeting agenda or scheduled for deliberation at an appropriate time in the near future. The Board ~~Chair~~**President** shall not refuse to assign a topic requested by a Board member to an agenda and, once assigned, shall not have the authority to remove the topic from the agenda without that Board member's specific authorization.

Consent Agenda

When the agenda is prepared, the Board ~~Chair~~**President** shall determine items, if any, that qualify to be placed on the consent agenda. A consent agenda shall include items of a routine and/or

recurring nature grouped together under one action item. For each item listed as part of a consent agenda, the Board shall be furnished with background material. All such items shall be acted upon by one vote without separate discussion, unless a Board member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote.

Notice to Members

Members of the Board shall be given notice of regular and special meetings at least 72 hours prior to the scheduled time of the meeting and at least two hours prior to the time of an emergency meeting.

Closed Meeting

Notice of all meetings shall provide for the possibility of a closed meeting during an open meeting, as provided by law. The Board may conduct a closed meeting when the agenda subject is one that may properly be discussed in closed meeting. [See BDA]

Order of Business

The order of business for regular Board meetings shall be as set out in the agenda accompanying the notice of the meeting. At the meeting, the order in which posted agenda items are taken may be changed by consensus of Board members present.

Rules of Order

The Board shall observe the parliamentary procedures as found in *Robert's Rules of Order, Newly Revised*, except as otherwise provided in Board procedural rules or by law. Procedural rules may be suspended at any Board meeting by majority vote of the members present.

Voting

Voting shall be by voice vote or show of hands, as directed by the Board ChairPresident. Any member may abstain from voting, and a member's vote or failure to vote shall be recorded upon that member's request.

Minutes

Board action shall be carefully recorded by the Board Secretary or clerk; when approved, these minutes shall serve as the legal record of official Board actions. The written minutes of all meetings shall be approved by vote of the Board and signed by the Board ChairPresident and the Board Secretary.

The official minutes of the Board shall be retained on file in the office of the College President and shall be available for examination during regular office hours.

**Discussions and
Limitation**

Discussions shall be addressed to the Board ChairPresident and then the entire membership. Discussion shall be directed solely to the business currently under deliberation, and the Board ChairPresident shall halt discussion that does not apply to the business before the Board.

The Board ChairPresident shall also halt discussion if the Board has agreed to a time limitation for discussion of an item, and that time limit has expired. Aside from these limitations, the Board ChairPresident shall not interfere with debate so long as members wish to address themselves to an item under consideration.

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BD
(LOCAL)

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BOARD MEETINGS

BD
(LOCAL)

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| The Board ChairPresident shall also halt discussion if the Board
has agreed to a time limitation for discussion of an item, and that
time limit has expired. Aside from these limitations, the Board
| ChairPresident shall not interfere with debate so long as members
wish to address themselves to an item under consideration.

Campus Facility Upgrades

ANNUAL OPERATING BUDGET

CC
(LOCAL)

- Budget Preparation** The budget shall conform to Coordinating Board requirements and meet the standards of the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC).
The College President shall recommend a budget to the Board for approval.
- Availability of Proposed Budget** After it is presented to the Board and prior to adoption, a copy of the proposed budget shall be available for inspection during regular business hours.
- Budget Adoption** The adopted budget provides authority to expend funds for the purposes indicated and in accordance with state law, Board policy, and the College District's approved purchasing procedures. The expenditure of funds shall be under the direction of the College President or designee who shall ensure that funds are expended in accordance with the adopted budget.
- Plant Funds for Renewal and Replacement** The College District shall establish plant funds for renewal and replacement. Reserves shall be established for maintenance, replacement, and restoration of long-lived assets. The reserves for renewal and replacement shall be funded by the operating fund through periodic transfers. In addition to transfers made to this fund during the current fiscal year, a maximum of 50 percent of the fund balance from the previous fiscal year may be used for acquisition, maintenance, and restoration of new equipment and plant facilities.
- Campus Facility Upgrades** The College District shall allocate 25 percent of the increase in unrestricted funds remaining from the previous budget year. The 25 percent will be calculated after completion of the annual college audit. The "25 percent" funds will be applied towards the Campus Facility Upgrades portfolio. The remaining 75 percent of the increase in unrestricted funds will go into the College reserves financial portfolio.
- Budget Amendments** The budget may be amended at any time during the fiscal year. All amendments to the adopted operating budget must be approved by the Board with the exception of transfers made within the budget of an organizational division.
The College President shall develop procedures for budget amendments.

LAND APPRAISAL REPORT

File No. 071913

Borrower Odessa College Census Tract 0007.00 Map Reference Odessa
 Property Address 209 Cummings Dr
 City Odessa County Ector State TX Zip Code 79763
 Legal Description Judkins Subdivision, Block 5 Lot 24
 Sale Price None Date of Sale None Loan Term NAV yrs. Property Rights Appraised Fee Leasehold De Minimus PUD
 Actual Real Estate Taxes \$171.00 (yr.) Loan charges to be paid by seller None Other sale concessions None
 Lender/Client Odessa College Address 201 W University, Spur Building, Room 210, Odessa, TX 79764
 Occupant None Appraiser David J. Morgan Instructions to Appraiser Estimate market value

NEIGHBORHOOD

Location	<input type="checkbox"/> Urban	<input checked="" type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Employment Stability	<input type="checkbox"/> Good	<input checked="" type="checkbox"/> Avg	<input type="checkbox"/> Fair	<input type="checkbox"/> Poor
Built Up	<input checked="" type="checkbox"/> Over 75%	<input type="checkbox"/> 25% to 75%	<input type="checkbox"/> Under 25%	Convenience to Employment	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Growth Rate	<input type="checkbox"/> Fully Dev.	<input type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Steady	Convenience to Shopping	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	Convenience to Schools	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Demand/Supply	<input type="checkbox"/> Shortage	<input checked="" type="checkbox"/> In Balance	<input type="checkbox"/> Over Supply	Adequacy of Public Transportation	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Marketing Time	<input checked="" type="checkbox"/> Under 3 Mos.	<input type="checkbox"/> 4-6 Mos.	<input type="checkbox"/> Over 6 Mos.	Recreational Facilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Present <u>70</u> % One-Unit	<u> </u> % 2-4 Units	<u> </u> % Apts	<u>20</u> % Condo	Adequacy of Utilities	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Land Use <u> </u> % Industrial	<u>5</u> % Vacant	<u>5</u> % Park		Property Compatibility	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Change in Present Land Use	<input type="checkbox"/> Not Likely	<input checked="" type="checkbox"/> Likely	<input type="checkbox"/> Taking Place(*)	Protection from Detrimental Conditions	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
	(*)From <u>Vacant</u> To <u>Residential</u>			Police and Fire Protection	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Predominant Occupancy	<input checked="" type="checkbox"/> Owner	<input type="checkbox"/> Tenant	<u>5%+-</u> % Vacant	General Appearance of Properties	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One-Unit Price Range \$ <u>23,000</u> to \$ <u>479,000</u>			Predominant Value \$ <u>117,000</u>	Appeal to Market	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
One-Unit Age <u>6</u> yrs. to <u>69</u> yrs.			Predominant Age <u>55</u> yrs.					

Comments including those factors, favorable or unfavorable, affecting marketability (e.g. public parks, schools, view, noise) Neighborhood is predominately comprised of fair to good quality single family dwellings, manufactured housing, retail, college, warehouses, restaurants, schools, park and vacant land. No apparent detrimental conditions were noted.

SITE

Dimensions 55x138x57x137/Rely on Survey = 7000 sf +/- Corner Lot
 Zoning Classification LC Light Commercial Present Improvements Do Do Not Conform to Zoning Regulations
 Highest and Best Use Present Use Other (specify) Office/Retail/Commercial Use
 Elec. Public Other (Describe) _____
 Gas _____
 Water _____
 San. Sewer _____
 Underground Elec & Tel

OFF-SITE IMPROVEMENTS

Street Access	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private
Surface	<u>Asphalt</u>	
Maintenance	<input checked="" type="checkbox"/> Public	<input type="checkbox"/> Private
Storm Sewer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/> Curb/Gutter
Sidewalk	<input type="checkbox"/>	<input checked="" type="checkbox"/> Street Lights

Topo Level
 Size Typical for the Market See Survey
 Shape Slightly Irreg to Rectangular
 View Residential/Commercial/ Typical
 Drainage Adequate, Curbs and Gutters
 Property located in a HUD identified Special Flood Hazard Area? Yes No

Comments (favorable or unfavorable including any apparent adverse easements, encroachments or other adverse conditions) No adverse easements or encroachments are noted, only a survey can clearly determine dimensions, site area, or if any problems exist.

The undersigned has recited three recent sales of properties most similar and proximate to the subject and has to be considered these in the market analysis. The description includes a dollar adjustment, reflecting market reaction to those items of significant variation between the subject and comparable properties. If a significant item in the comparable property is superior to, or more favorable than subject property, a minus (-) adjustment is made, thus reducing the indicated value of the subject, if a significant item in the comparable is inferior to or less favorable than the subject property, a plus (+) adjustment is made, thus increasing the indicated value of the subject.

ITEM	SUBJECT	COMPARABLE NO. 1	COMPARABLE NO. 2	COMPARABLE NO. 3
Address	<u>209 Cummings Dr Odessa, TX 79763</u>	<u>1928 N Jackson Ave Odessa, TX 79761</u>	<u>812 S Dixie Odessa, TX 79762</u>	<u>903 N Tom Green Odessa, TX 79761</u>
Proximity to subject		<u>0.50 miles SE</u>	<u>2.55 miles SE</u>	<u>1.28 miles SE</u>
Sales Price	\$ <u>None</u>	\$ <u>25,000</u>	\$ <u>7,000</u>	\$ <u>14,000</u>
Price \$/Sq. Ft.		<u>\$1.79</u>	<u>\$2.21</u>	<u>\$1.84</u>
Data Source	<u>Inspection/Tax R</u>	<u>NAVICAMLS#1377112344altist</u>	<u>NAVICAMLS#1377107275 /Realtist</u>	<u>NAVICAMLS#1377106002 /Realtist</u>
Date of Sale and Time Adjustment	<u>DESCRIPTION</u>	<u>DESCRIPTION</u> <u>+(-) Adjust.</u>	<u>DESCRIPTION</u> <u>+(-) Adjust.</u>	<u>DESCRIPTION</u> <u>+(-) Adjust.</u>
		<u>05/20/2019</u>	<u>01/23/2018</u>	<u>01/18/2019</u>
Location	<u>Suburban</u>	<u>Suburban</u>	<u>Suburban</u>	<u>Suburban</u>
Site/View	<u>Commercial/Resid</u>	<u>Commer/Resid</u>	<u>Commer/Resid</u>	<u>Commer/Resid</u>
LotSize/HBUse	<u>7000sf/Commercial</u>	<u>13939sf/Commercial</u>	<u>3159sf/Commercial</u>	<u>7579sf/Commercial</u>
Restrict/Zoning	<u>LC-Light Commer</u>	<u>LC-Light Commer</u>	<u>R-Retail District</u>	<u>CB-Central Business Dist</u>
Water/Sewer	<u>Water/Sewer</u>	<u>Water/Sewer</u>	<u>Water/Sewer</u>	<u>Water/Sewer</u>
Shape	<u>Rectangular</u>	<u>Rectangular</u>	<u>Rectangular</u>	<u>Rectangular</u>
Sales or Financing Concessions	<u>None</u>	<u>Cash/DOM 30</u>	<u>Cash/DOM 4</u>	<u>Cash/DOM 197</u>
Net Adj. (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>0</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>0</u>	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ <u>0</u>
Indicated Value of Subject		Gross Adj: <u>0.0 %</u> Net Adj: <u>0.0 %</u> \$ <u>\$1.79</u>	Gross Adj: <u>0.0 %</u> Net Adj: <u>0.0 %</u> \$ <u>2.21</u>	Gross Adj: <u>0.0 %</u> Net Adj: <u>0.0 %</u> \$ <u>\$1.84</u>

MARKET DATA ANALYSIS

Comments on Market Data See additional comments...

Comments and Conditions of Appraisal Limited sales require use of sales over six months old

Final Reconciliation Individual lot appraisals are based on Sales Comparison Approach to value. The cost and income approach are not appropriate for this type of appraisal.

I ESTIMATE THE MARKET VALUE, AS DEFINED, OF THE SUBJECT PROPERTY AS OF July 8, 2019 TO BE \$ 13,300

RECONCILIATION

APPRAISER	SUPERVISORY APPRAISER (if applicable)
Signature _____	Signature _____
Name <u>David J. Morgan</u>	Name _____
Title <u>Appraiser</u>	Title _____
Date Report Signed <u>07/12/2019</u>	Date Report Signed _____
State Certification # <u>TX 1325636-G</u> State <u>TX</u>	State Certification # _____ State _____
State License # _____ State _____	State License # _____ State _____
Expiration Date of Certification or License <u>10/31/2019</u>	Expiration Date of Certification or License _____
Date of Inspection <u>07/08/2019</u>	<input type="checkbox"/> Did <input type="checkbox"/> Did Not Inspect Property Date of Inspection _____

COMMENTS ON SALES COMPARISON APPROACH

Subject is located in Odessa, TX population 159,439 . Approximately 50% of Odessa is not zoned. There are limited similar commercial vacant land comparable sales in Odessa . Therefore it was necessary to use comparables with different zoning and greater than desirable differences. It was also necessary to use comparable sale 2 that is over 12 months old and comparables from competing neighborhoods. Subject is located in a stable market. Subject and all comparables have commercial zoning and are in similar proximity to the downtown Odessa employment and economic centers. Comparable sale 1 has the same zoning as the subject and is the most recent sale. 50% weight on comparable 1 and 25% each on comparables 2 and 3 reconciles to \$1.90 per sq ft. The subject estimated market value is \$1.90 psf X 7000 sf = \$13,300

PROPERTY DESCRIPTION

Subject is a level open rectangular tract with improved grasses trees. Soils are stable red sand and clay with no active erosion. Subject has a rear access alley, curbs and gutters with a sewer and water line in place. Zoning is LC Light Commercial with a variety of commercial, retail, office and general business uses. Refer to the following City of Odessa Zoning web site for a full description of all uses: <https://www.odessa-tx.gov/Home/ShowDocument?id=238>

SUBJECT SALES & LISTING HISTORY

Subject is for sale and has not been on the market in the last 36 months. No previous sales of the subject in the last 3 years and no sales of the comparables in the last 12 months.

DEFINITION OF MARKET VALUE

Market value as defined as follows: The most probable price, as of a specified date in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress. (The Appraisal of Real Estate, 12th Edition)

SUBJECT HIGHEST AND BEST USE

The highest and best use of the subject property is Light Commercial Office, School or Retail. In considering the highest and best use four test were used. The four test considered are as follows: (1) Legally permissible, (2) Physically possible, (3) Financially feasible, (4) Maximumly productive? The subject property meets all the above test as is and as if improved.

USPAP 3 YEAR STATEMENT

Per the Conduct Section of USPAP I am to disclose any prior service on the subject that I become aware of either prior to the assignment engagement or during the assignment process. I hereby certify that I have not performed any services regarding the subject property within the prior three years of the client engagement date, as an appraiser or any other capacity. Other capacity may include but are not limited to; property management, leasing, brokerage, auction, or investment advisory services

APPRAISER INDEPENDENCE STATEMENT

The appraiser has prepared this appraisal in full compliance with the Appraiser Independence Requirements / Dodd-Frank and has not performed, participated in, or been Associated with any activity in violation of these requirements. The appraiser certifies that the lender or the AMC did not improperly influence, or attempt to improperly influence, the outcome of this appraisal by doing any of the things prohibited by Section 1(B) of the Appraiser Independence Requirements.

INTENDED USER

The Intended User of this appraisal report is the Lender/Client. The Intended Use is to evaluate the property that is the subject of this appraisal for a mortgage finance transaction, subject to the stated Scope of Work, purpose of the appraisal, reporting requirements of this appraisal report form, and Definition of Market Value. No additional Intended Users are identified by the appraiser.

ASSIGNMENT TYPE

Estimate Market Value

GEOGRAPHIC COMPETENCY

The subject property is located in an area I have worked in for more than 20 years. This assignment requires geographic competency as required by USPAP. I have spent sufficient time in this market and understand the nuances of the local market and the supply and demand factors relating to the specific property type and location involved

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he considers his own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the Appraiser's judgment.

STATEMENT OF LIMITING CONDITIONS AND APPRAISER'S CERTIFICATION

CONTINGENT AND LIMITING CONDITIONS: The appraiser's certification that appears in the appraisal report is subject to the following conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it. The appraiser assumes that the title is good and marketable and, therefore, will not render any opinions about the title. The property is appraised on the basis of it being under responsible ownership.
2. The appraiser has provided a sketch in the appraisal report to show approximate dimensions of the improvements and the sketch is included only to assist the reader of the report in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in the appraisal report whether the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand.
5. The appraiser has estimated the value of the land in the cost approach at its highest and best use and the improvements at their contributory value. These separate valuations of the land and improvements must not be used in conjunction with any other appraisal and are invalid if they are so used.
6. The appraiser has noted in the appraisal report any adverse conditions (such as, needed repairs, depreciation, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the normal research involved in performing the appraisal. Unless otherwise stated in the appraisal report, the appraiser has no knowledge of any hidden or unapparent conditions of the property or adverse environmental conditions (including the presence of hazardous wastes, toxic substances, etc.) that would make the property more or less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied, regarding the condition of the property. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, the appraisal report must not be considered as an environmental assessment of the property.
7. The appraiser obtained the information, estimates, and opinions that were expressed in the appraisal report from sources that he or she considers to be reliable and believes them to be true and correct. The appraiser does not assume responsibility for the accuracy of such items that were furnished by other parties.
8. The appraiser will not disclose the contents of the appraisal report except as provided for in the Uniform Standards of Professional Appraisal Practice.
9. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that completion of the improvements will be performed in a workmanlike manner.
10. The appraiser must provide his or her prior written consent before the lender/client specified in the appraisal report can distribute the appraisal report (including conclusions about the property value, the appraiser's identity and professional designations, and references to any professional appraisal organizations or the firm with which the appraiser is associated) to anyone other than the borrower; the mortgagee or its successors and assigns; the mortgage insurer; consultants; professional appraisal organizations; any state or federally approved financial institution; or any department, agency, or instrumentality of the United States or any state or the District of Columbia; except that the lender/client may distribute the property description section of the report only to data collection or reporting service(s) without having to obtain the appraiser's prior written consent. The appraiser's written consent and approval must also be obtained before the appraisal can be conveyed by anyone to the public through advertising, public relations, news, sales, or other media.

APPRAISERS CERTIFICATION: The Appraiser certifies and agrees that:

1. I have researched the subject market area and have selected a minimum of three recent sales of properties most similar and proximate to the subject property for consideration in the sales comparison analysis and have made a dollar adjustment when appropriate to reflect the market reaction to those items of significant variation. If a significant item in a comparable property is superior to , or more favorable than, the subject property, I have made a negative adjustment to reduce the adjusted sales price of the comparable and, if a significant item in a comparable property is inferior to, or less favorable than the subject property, I have made a positive adjustment to increase the adjusted sales price of the comparable.
2. I have taken into consideration the factors that have an impact on value in my development of the estimate of market value in the appraisal report. I have not knowingly withheld any significant information from the appraisal report and I believe, to the best of my knowledge, that all statements and information in the appraisal report are true and correct.
3. I stated in the appraisal report only my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the contingent and Limiting Conditions specified in this form.
4. I have no present or prospective interest in the property that is the subject to this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or the estimate of market value in the appraisal report on the race, color, religion, sex, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property.
5. I have no present or contemplated future interest in the subject property, and neither my current or future employment nor my compensation for performing this appraisal is contingent on the appraised value of the property.
6. I was not required to report a predetermined value or direction in value that favors the cause of the client or any related party, the amount of the value estimate, the attainment of a specific result, or the occurrence of a subsequent event in order to receive my compensation and/or employment for performing the appraisal. I did not base the appraisal report on a requested minimum valuation, a specific valuation, or the need to approve a specific mortgage loan.
7. I performed this appraisal in conformity with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place as of the effective date of this appraisal, with the exception of the departure provision of those Standards, which does not apply. I acknowledge that an estimate of a reasonable time for exposure in the open market is a condition in the definition of market value and the estimate I developed is consistent with the marketing time noted in the neighborhood section of this report, unless I have otherwise stated in the reconciliation section.
8. I have personally inspected the subject property and the exterior of all properties listed as comparables in the appraisal report. I further certify that I have noted any apparent or known adverse conditions in the subject improvements, on the subject site, or on any site within the immediate vicinity of the subject property of which I am aware and have made adjustments for these adverse conditions in my analysis of the property value to the extent that I had market evidence to support them. I have also commented about the effect of the adverse conditions on the marketability of the subject property.
9. I personally prepared all conclusions and opinions about the real estate that were set forth in the appraisal report. If I relied on significant professional assistance from any individual or individuals in the performance of the appraisal or the preparation of the appraisal report, I have named such individual(s) and disclosed the specific tasks performed by them in the reconciliation section of this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in the report; therefore, if an unauthorized change is made to the appraisal report, I will take no responsibility for it.

SUPERVISORY APPRAISER'S CERTIFICATION: If a supervisory appraiser signed the appraisal report, he or she certifies and agrees that: I directly supervise the appraiser who prepared the appraisal report, have reviewed the appraisal report, agree with the statements and conclusions of the appraiser, agree to be bound by the appraiser's certifications numbered 4 through 7 above, and am taking full responsibility for the appraisal and the appraisal report.

ADDRESS OF PROPERTY APPRAISED: 209 Cummings Dr, Odessa, TX, 79763

APPRAISER:

SUPERVISORY APPRAISER (only if required)

Signature: _____
 Name: David J. Morgan
 Date Signed: 07/12/2019
 State Certification #: TX 1325636-G
 or State License #: _____
 State: TX
 Expiration Date of Certification or License: 10/31/2019

Signature: _____
 Name: _____
 Date Signed: _____
 State Certification #: _____
 or State License #: _____
 State: _____
 Expiration Date of Certification or License: _____

Did Did Not Inspect Property

david@davidappraiser.com Phone 972-345-5853

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Odessa College	File No.: 071913	
Property Address: 209 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: July 8, 2019
Appraised Value: \$ 13,300

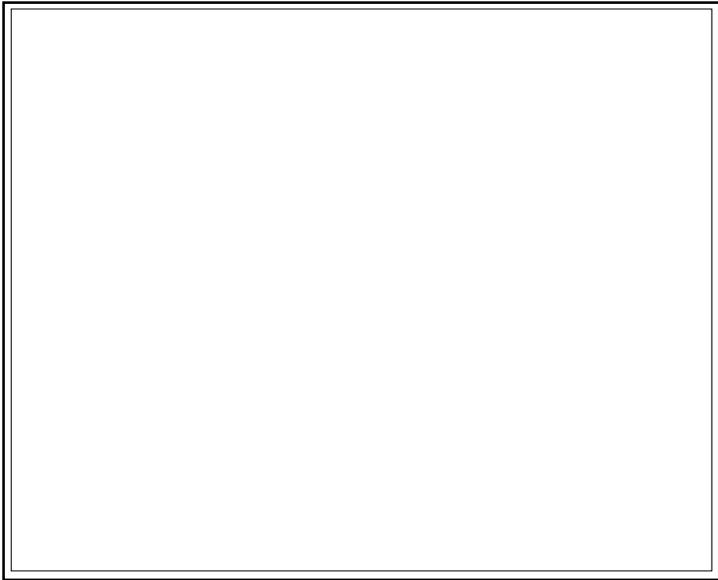


**REAR VIEW OF
SUBJECT PROPERTY**

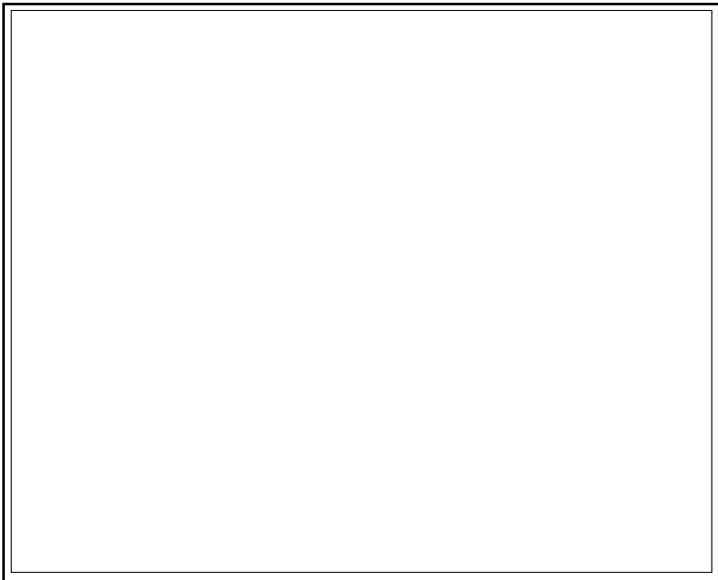
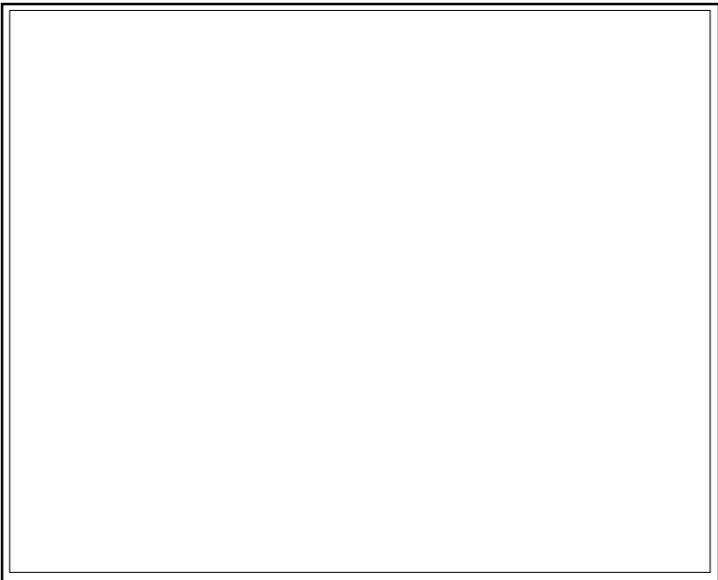


STREET SCENE

Borrower: Odessa College	File No.: 071913	
Property Address: 209 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		

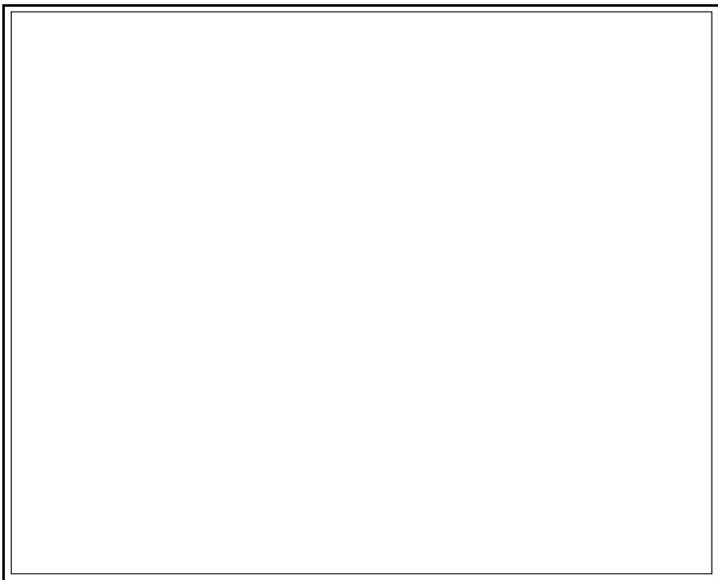
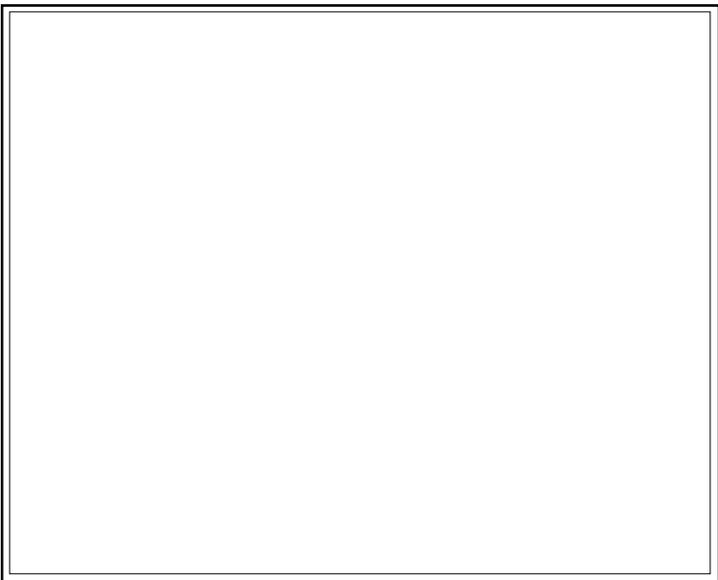


Rear to Front View



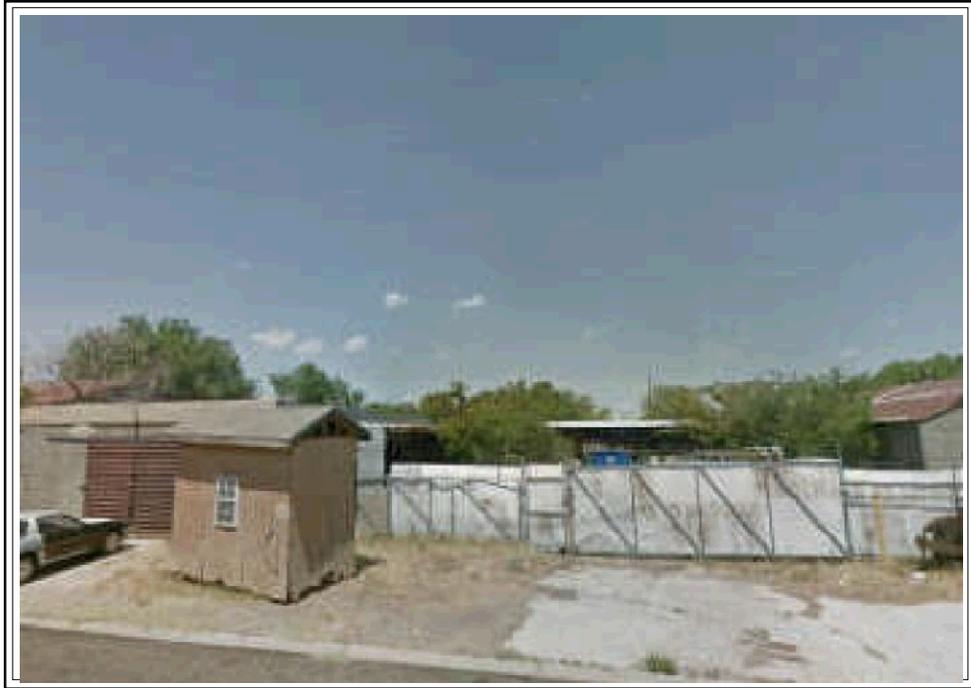
Interior View

Interior View



COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Odessa College	File No.: 071913
Property Address: 209 Cummings Dr	Case No.:
City: Odessa	State: TX Zip: 79763
Lender: Odessa College	



COMPARABLE SALE #1

1928 N Jackson Ave
Odessa, TX 79761
Sale Date: 05/20/2019
Sale Price: \$ 25,000



COMPARABLE SALE #2

812 S Dixie
Odessa, TX 79762
Sale Date: 01/23/2018
Sale Price: \$ 7,000



COMPARABLE SALE #3

903 N Tom Green
Odessa, TX 79761
Sale Date: 01/18/2019
Sale Price: \$ 14,000

AERIAL MAP

Borrower: Odessa College
Property Address: 209 Cummings Dr
City: Odessa
Lender: Odessa College

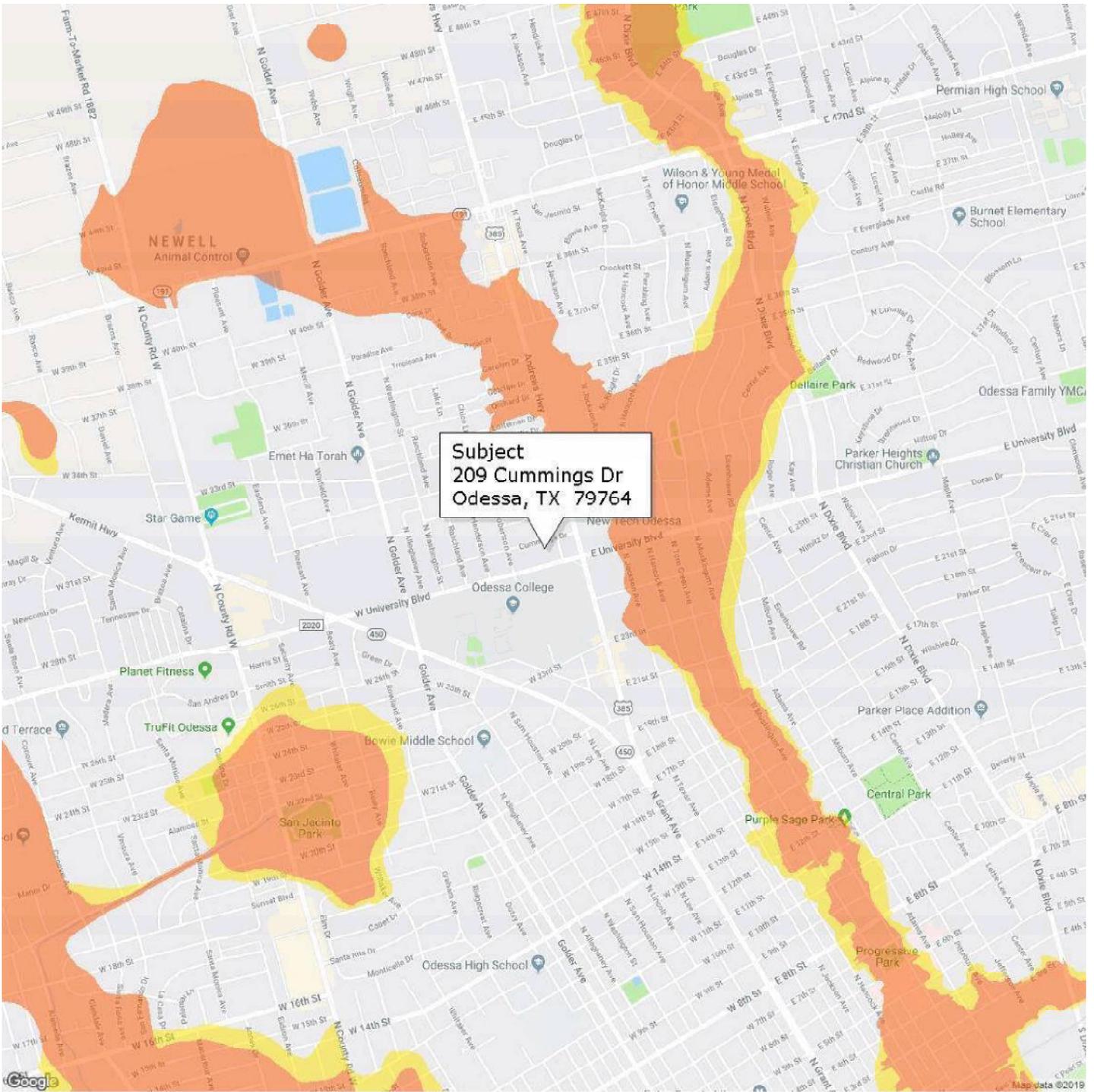
File No.: 071913
Case No.:
State: TX
Zip: 79763



FLOOD MAP

Borrower: Odessa College
 Property Address: 209 Cummings Dr
 City: Odessa
 Lender: Odessa College

File No.: 071913
 Case No.:
 State: TX
 Zip: 79763



FLOOD INFORMATION

Community: City of Odessa
Property is NOT in a FEMA Special Flood Hazard Area
Map Number: 48135C0335E
Panel: 0335E
Zone: X
Map Date: 03-15-2012
FIPS: 48135
Source: FEMA DFIRM

LEGEND

- = FEMA Special Flood Hazard Area – High Risk
- = Moderate and Minimal Risk Areas
- Road View:**
- = Forest
- = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

Borrower: Odessa College	File No.: 071913	
Property Address: 209 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		

Property Map



Courtesy of NTREIS - Matrix

The data within this report is compiled by CoreLogic from public and private sources. If desired, the accuracy of the data contained herein can be independently verified.

Zoning Map

Borrower: Odessa College

File No.: 071913

Property Address: 209 Cummings Dr

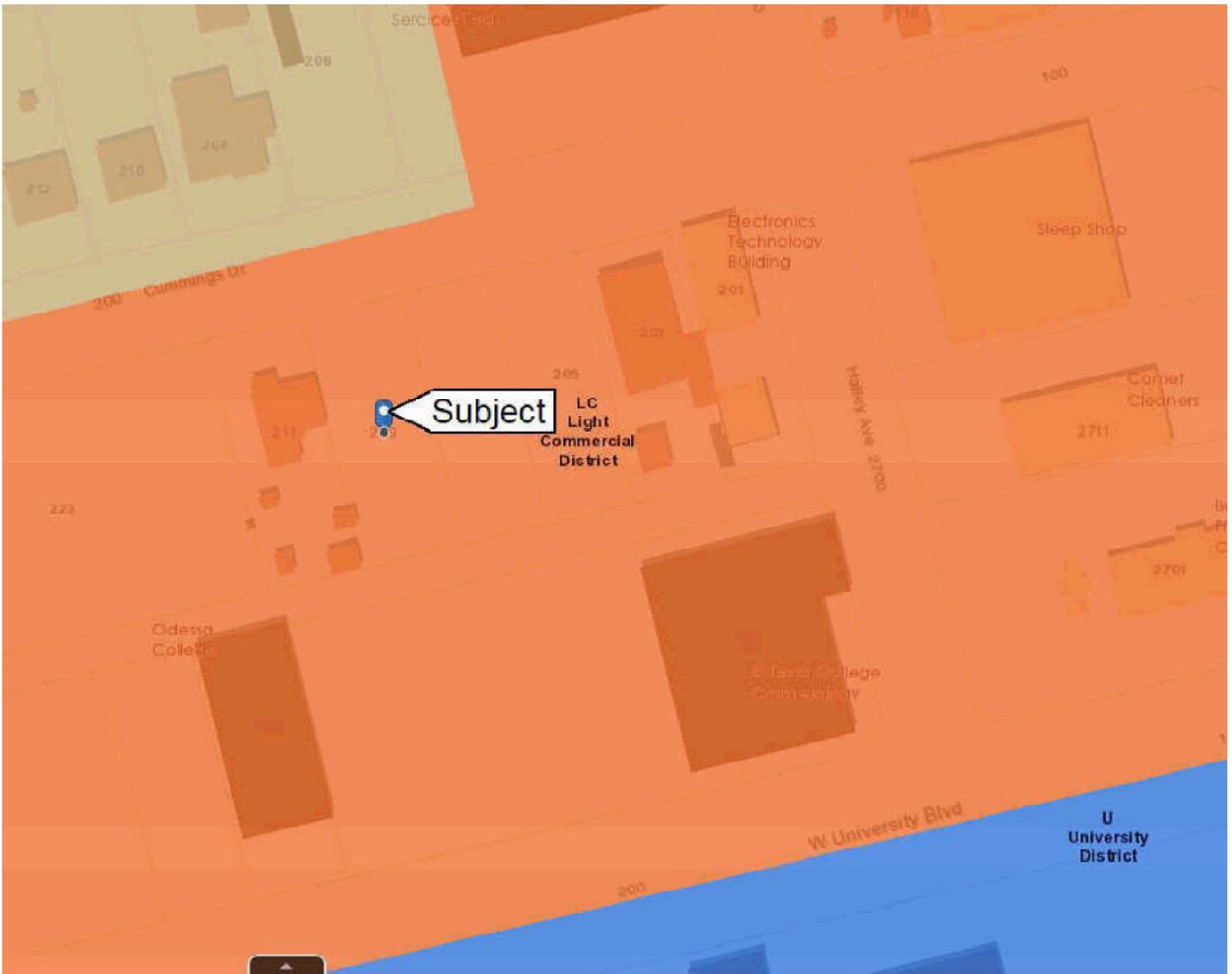
Case No.:

City: Odessa

State: TX

Zip: 79763

Lender: Odessa College



Borrower: Odessa College
Property Address: 209 Cummings Dr
City: Odessa
Lender: Odessa College

File No.: 071913
Case No.:
State: TX Zip: 79763

You may wish to laminate the pocket identification card to preserve it.

DAVID JETER MORGAN
6215 LIBERTY HILL
DALLAS, TX 75248

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax:(512) 936-3899

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188
Certified General Real Estate Appraiser

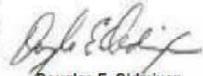
Number#: TX 1325636 G

Issued: 10/17/2017

Expires: 10/31/2019

Appraiser: DAVID JETER MORGAN

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board

P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: TX 1325636 G

Issued: 10/17/2017

Expires: 10/31/2019

Appraiser: DAVID JETER MORGAN

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.


Douglas E. Oldmixon
Commissioner

***** QUALIFICATIONS *****

David J Morgan

APPRAISAL EXPERIENCE

1995-Present David J. Morgan & Associates, Inc, Residential Appraisals, Dallas, Texas. Reviewed and or appraised over 20,000 single-family, duplex, triplex, four-plex, condominium, manufactured homes, etc, residential appraisals.

1989-1995 David J. Morgan, Real Estate/Independent Contractor, Dallas, Texas
Completed evaluation of commercial properties for private clients and Governmental agencies in the United States.

1986-1989 State of Texas Veterans Land Board and the General Land Office; Austin Texas/Appraiser. Completed land appraisals and asset management appraisals of State Government owned special use properties.

CERTIFICATIONS LICENSES & MEMBERSHIPS

Texas Certified General Real Estate Appraiser#1325636-G

Licensed Texas Real Estate Broker#0381709

GAA Designated Appraiser National Association of Realtors#3143

FHA/HUD Lender Selection Roster of Appraisers

Member Metrotex Association of Realtors, Dallas TX

Member Permian Basin Board of Realtors, Midland TX

Member Association of Texas Appraisers #13361

Member National Association of Appraisers MNAA Designated

EDUCATION

1980 - Associate of Arts Austin Community College, Austin, Texas

APPRAISAL & REAL ESTATE EDUCATION

2019-Mandatory Continuing Ed for Real Estate Broker, Broker Responsibility Course, TX Real Estate Commission Leagl Updates 1 & 2, TX Common Legal Issues in Real Estate

2017-USPAP 2016-2017, Better Safe Than Sorry, Green in Residences and Appraisals, Property Valuation Analysis For FHA

2015-Mandatory Continuing Ed for Real Estate Broker, Broker Responsibility, TREC Legal Updates & Ethics, TX Real Estate Contracts, Champions School of Real Estate

2013-Mandatory Continuing Ed for Real Estate Broker, Green In Residences Appraisals, Methodolgy and Applications of the Sales Comparison, Champions School of Real Estate

2013-Appraiser Continuining Ed, Appraisal Review of Residential Properties, USPAP Update Course; Champions School of Real Estate

2011- Land and Site Valuation,Com;- REO & Foreclosures, McKissock.Com; Appraising 2-4 Family & Multifamily Properties; USPAP Update,Supervising Appraisal Trainees, Mortgage Fraud, Making FHA Loans, Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School

2009 - FHA & VA Appraisals;USPAP Update;Introduction to Commercial Appraisals; Mortgage Fraud; Supervising Appraisal Trainees - Champions RE School

2000-2007 - USPAP Update, Mckissock School; Sales Comparison, Income and Cost Approaches- & Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School; National USPAP Update, Appraising the Oddball Residential Property, McKissock Appraisal School Professionals Guide to the URAR, Appraisal Institute, Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School, FHA Appraising Today, McKissock Appraisal School, Real Estate Appraisal, Lon Morris College, Dallas Tx; Uniform Standards of Professional Appraisal Practice, McKissock Appraisal School;TX Mandatory Continuing Ed For R. E. Professionals;Uniform Standards of Professional Appraisal Practice, McKissock Appraisal School;Texas Mandatory Continuing Ed For R. E. Professionals;

1990-1999 - Real Estate Appraisal, SW Assemblies University, Waxachachie, TX; Uniform Standards of Professional Appraisal Practice, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; HUD Standards Update, N A of Master Appraisers, Dallas TX; Texas Mandatory Continuing Ed For R. E. Professionals; Affordable Housing, Appraisal Institute, Dallas TX; Uniform Standards of Pro. Appraisal Practice, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; Techniques of Income Property Appraisal, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; Uniform Standards of Professional. Appraisal Practice, Richland College, Dallas, TX; Writing The Narrative Appraisal, Principle of Appraisal;Practice of Appraisal, National Association of Master Appraisers, Dallas TX

1986-1989 - Texas State Property Tax Course, Dallas Central Appraisal District, Dallas TX;Real Estate Law, Austin Community College, Austin TX TX; Basic Valuation Procedures, American Institute of Appraisers, Houston, TX, Real Estate; Appraisal Principles American Institute of Appraisers, Ft Worth, TX, Real Estate Appraisal, Real Estate Principles Richland College, Dallas, TX

Uniform Residential Appraisal Report

File No. 071912

The purpose of this summary appraisal report is to provide the lender/client with an accurate, and adequately supported, opinion of the market value of the subject property.

SUBJECT	Property Address 211 Cummings Dr	City Odessa	State TX	Zip Code 79763	
	Borrower Odessa College	Owner of Public Record James Hutchins	County Ector		
	Legal Description Judkins Subdivision, Block 5 Lot 23				
	Assessor's Parcel # R100024785	Tax Year 2019	R.E. Taxes \$ 1,268		
	Neighborhood Name Judkins	Map Reference Odessa	Census Tract 0007.00		
	Occupant <input type="checkbox"/> Owner <input type="checkbox"/> Tenant <input checked="" type="checkbox"/> Vacant	Special Assessments \$ 0	<input type="checkbox"/> PUD	HOA \$ 0	<input type="checkbox"/> per year <input type="checkbox"/> per month
	Property Rights Appraised <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold <input type="checkbox"/> Other (describe)				
	Assignment Type <input type="checkbox"/> Purchase Transaction <input type="checkbox"/> Refinance Transaction <input checked="" type="checkbox"/> Other (describe) Estimate Market Value				
	Lender/Client Odessa College Address 201 W University Spur Building, Room 210, Odessa, TX 79764				
	Is the subject property currently offered for sale or has it been offered for sale in the twelve months prior to the effective date of this appraisal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No				
Report data source(s) used, offering price(s), and date(s). NavicaMLS/Realtist/Tax RecordsNTREIS MLS					

CONTRACT	I <input type="checkbox"/> did <input type="checkbox"/> did not analyze the contract for sale for the subject purchase transaction. Explain the results of the analysis of the contract for sale or why the analysis was not performed.			
	Contract Price \$	Date of Contract	Is the property seller the owner of public record?	<input type="checkbox"/> Yes <input type="checkbox"/> No Data Source(s)
	Is there any financial assistance (loan charges, sale concessions, gift or downpayment assistance, etc.) to be paid by any party on behalf of the borrower? <input type="checkbox"/> Yes <input type="checkbox"/> No			
	If Yes, report the total dollar amount and describe the items to be paid.			

Note: Race and the racial composition of the neighborhood are not appraisal factors.

Neighborhood Characteristics	One-Unit Housing Trends	One-Unit Housing	Present Land Use %
Location <input type="checkbox"/> Urban <input checked="" type="checkbox"/> Suburban <input type="checkbox"/> Rural	Property Values <input type="checkbox"/> Increasing <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Declining	PRICE	One-Unit 70 %
Built-Up <input checked="" type="checkbox"/> Over 75% <input type="checkbox"/> 25-75% <input type="checkbox"/> Under 25%	Demand/Supply <input type="checkbox"/> Shortage <input checked="" type="checkbox"/> In Balance <input type="checkbox"/> Over Supply	AGE (yrs)	2-4 Unit 0 %
Growth <input type="checkbox"/> Rapid <input checked="" type="checkbox"/> Stable <input type="checkbox"/> Slow	Marketing Time <input checked="" type="checkbox"/> Under 3 mths <input type="checkbox"/> 3-6 mths <input type="checkbox"/> Over 6 mths	23 Low	6 Multi-Family 0 %
Neighborhood Boundaries North: Hwy 191, South:University Blvd, East:US 385,West: County Rd/Spur 450		479 High	69 Commercial 20 %
		117 Pred.	55 Other Va/Prk 10 %

Neighborhood Description **Neighborhood is predominately comprised of fair to good quality single family dwellings, manufactured housing, retail, college, warehouses, restaurants, schools, park and vacant land. No apparent detrimental conditions were noted.**

Market Conditions (including support for the above conclusions) **All single family dwellings in the neighborhood in the last 12 months average 36 days on market, and 96.27 % sales to list ratio present. All loan types are available. No excessive concessions. Foreclosures are not a factor. A reasonable exposure time for the subject property developed independently from the stated marketing time is: 90 days or less**

Dimensions Rely on Survey	Area 6970 sf	Shape Rectangular/Typical	View N;Res/Commer;
Specific Zoning Classification LC	Zoning Description Light Commercial		
Zoning Compliance <input checked="" type="checkbox"/> Legal <input type="checkbox"/> Legal Nonconforming (Grandfathered Use) <input type="checkbox"/> No Zoning <input type="checkbox"/> Illegal (describe)			
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			
Utilities	Public	Other (describe)	
Electricity	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Water
Gas	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Sanitary Sewer
			Off-site Improvements—Type
			Street Concrete
			Alley Concrete
FEMA Special Flood Hazard Area <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	FEMA Flood Zone X	FEMA Map # 48135C0335E	FEMA Map Date 03/15/2012
Are the utilities and off-site improvements typical for the market area? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe.			
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If Yes, describe. No adverse easements or encroachments are noted, only a survey can clearly determine dimensions, site area, or if any problems exist.			

GENERAL DESCRIPTION	FOUNDATION	EXTERIOR DESCRIPTION materials/condition	INTERIOR materials/condition
Units <input checked="" type="checkbox"/> One <input type="checkbox"/> One with Accessory Unit	<input type="checkbox"/> Concrete Slab <input checked="" type="checkbox"/> Crawl Space	Foundation Walls P&B/Average	Floors Cpt/Vinyl/Poor-Av
# of Stories 1	<input type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement	Exterior Walls Siding/Fair-Avg	Walls DryWall/Av
Type <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area 0 sq. ft.	Roof Surface Composition/Poor-Fair	Trim/Finish Wood/Average
<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish 0 %	Gutters & Downspouts None	Bath Floor Vinyl/Av
Design (Style) Ranch	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump	Window Type SH/Poor-Avg	Bath Wainscot Fiber/Average
Year Built 1957	Evidence of <input type="checkbox"/> Infestation	Storm Sash/Insulated None	Car Storage <input type="checkbox"/> None
Effective Age (Yrs) 45	<input type="checkbox"/> Dampness <input checked="" type="checkbox"/> Settlement	Screens None	<input checked="" type="checkbox"/> Driveway # of Cars 1
Attic <input type="checkbox"/> None	Heating <input checked="" type="checkbox"/> FWA <input type="checkbox"/> HWBB <input type="checkbox"/> Radiant	Amenities <input type="checkbox"/> WoodStove(s) #0	Driveway Surface Gravel
<input checked="" type="checkbox"/> Drop Stair <input type="checkbox"/> Stairs	<input type="checkbox"/> Other Fuel Gas	<input type="checkbox"/> Fireplace(s) # 0	<input type="checkbox"/> Garage # of Cars 0
<input type="checkbox"/> Floor <input type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning	<input type="checkbox"/> Patio/Deck 0	<input checked="" type="checkbox"/> Porch Wood
<input type="checkbox"/> Finished <input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input checked="" type="checkbox"/> Other Window	<input type="checkbox"/> Pool None	<input checked="" type="checkbox"/> Carport # of Cars 1
Appliances <input type="checkbox"/> Refrigerator <input checked="" type="checkbox"/> Range/Oven	<input checked="" type="checkbox"/> Dishwasher <input checked="" type="checkbox"/> Disposal <input checked="" type="checkbox"/> Microwave	<input type="checkbox"/> Washer/Dryer <input type="checkbox"/> Other (describe)	<input checked="" type="checkbox"/> Att. <input type="checkbox"/> Det. <input type="checkbox"/> Built-in
Finished area above grade contains:	4 Rooms	2 Bedrooms	1.0 Bath(s)
Additional features (special energy efficient items, etc.) 1 car carport, living area addition			
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). C5;No updates in the prior 15 years;Existing improvements have been maintained in poor to average condition. Functional and economic obsolescence is noted. Quality of construction is average. There is no evidence of infestation or dampness. The drainage and grading are adequate. Subject is in poor to average condition and is need of the following repairs, updates and maintenance: Roof leak and interior ceiling damage, needs new roof, un-level and sloping floors, appears to need foundation repair, damaged siding, peeling paint, broken and boarded up windows, dated interior including kitchen, bath, living areas, bedrooms. Utilities were not working at the time of inspection.			
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe. Subject has a serious roof leak and un-level floors and appears to need foundation repair. See above Utilities were not working at the time of inspection. No other known or apparent adverse conditions exist, that would negatively impact subject's value estimate, livability, soundness or structural integrity.			
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No If No, describe. Subject conforms to other properties in the neighborhood.			

Uniform Residential Appraisal Report

File No. 071912

There are **2** comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ **125,000** to \$ **140,000**
 There are **6** comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ **40,000** to \$ **110,000**

SALES COMPARISON APPROACH

FEATURE	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
211 Cummings Dr Address Odessa, TX 79763		402 W 31st Odessa, TX 79763		2313 W 15th Odessa, TX 79761		1303 Tom Green Odessa, TX 79761	
Proximity to Subject		0.30 miles NW		1.65 miles SW		1.02 miles SE	
Sale Price	\$	\$ 47,000		\$ 43,000		\$ 36,000	
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 53.17 sq. ft.		\$ 34.43 sq. ft.		\$ 41.67 sq. ft.	
Data Source(s)		NavicaMLS#RS377109225;DOM 52		NavicaMLS#RS377112067;DOM 1		NavicaMLS#RS377112290;DOM 3	
Verification Source(s)		Realtor/Tax/Realtist		Realtor/Tax/Realtist		Realtor/Tax/Realtist	
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment	DESCRIPTION	+(-) \$ Adjustment
Sale or Financing Concessions		ArmLth Cash:0		ArmLth Cash:0		ArmLth Cash:0	
Date of Sale/Time		s06/18;c05/18		s01/19;c12/18		s03/19;c02/19	
Location	N;Res;Judkins	N;Res;Judkins		N;Res;Broadway	0	N;Res;Kelly	0
Leasehold/Fee Simple	Fee Simple	Fee Simple		Fee Simple		Fee Simple	
Site	6970 sf	8712 sf	0	7405 sf	0	5663 sf	0
View	N;Res;Commer;	N;Res;	0	N;Res;	0	N;Res;	0
Design (Style)	DT1;Ranch	DT1;Ranch		DT1;Ranch		DT1;Ranch	
Quality of Construction	Q5	Q5		Q5		Q5	
Actual Age	62	63	0	73	0	69	0
Condition	C5	C4	-5,000	C5		C5	
Above Grade Room Count	Total Bdrms Baths 4 2 1.0	Total Bdrms Baths 4 2 1.0		Total Bdrms Baths 4 2 1.0		Total Bdrms Baths 5 3 1.0	0
Gross Living Area 20	824 sq. ft.	884 sq. ft.	0	1,249 sq. ft.	-8,500	864 sq. ft.	0
Basement & Finished Rooms Below Grade	0sf	0sf		0sf		0sf	
Functional Utility	Average	Average		Average		Average	
Heating/Cooling	FWA Window	FWA Window		FWA Window		None/Window	1,000
Energy Efficient Items	CFans&SPaneW	CFans&SPaneW		CFans&SPaneW		CFans&SPaneW	
Garage/Carport	1cp1dw	2dw	1,000	1cp1dw		1dw	1,000
Porch/Patio/Deck	CvdPor	CvdPor		CvdPor		CvdPor	
Fireplace	None	None		None		None	
Net Adjustment (Total)		<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 4,000	<input type="checkbox"/> + <input checked="" type="checkbox"/> -	\$ 8,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> -	\$ 2,000
Adjusted Sale Price of Comparables		Net Adj. -8.5% Gross Adj. 12.8%	\$ 43,000	Net Adj. -19.8% Gross Adj. 19.8%	\$ 34,500	Net Adj. 5.6% Gross Adj. 5.6%	\$ 38,000

I did did not research the sale or transfer history of the subject property and comparable sales. If not, explain Navica MLS/CountyTax Records/Realtist

My research did did not reveal any prior sales or transfers of the subject property for the three years prior to the effective date of this appraisal.

Data source(s) Navica MLS/CountyTax Records/Realtist

My research did did not reveal any prior sales or transfers of the comparable sales for the year prior to the date of sale of the comparable sale.

Data source(s) Navica MLS/CountyTax Records/Realtist

Report the results of the research and analysis of the prior sale or transfer history of the subject property and comparable sales (report additional prior sales on page 3).

ITEM	SUBJECT	COMPARABLE SALE NO. 1		COMPARABLE SALE NO. 2		COMPARABLE SALE NO. 3	
Date of Prior Sale/Transfer							
Price of Prior Sale/Transfer							
Data Source(s)	Navica/Realtist Tax	Navica/Realtist Tax		Navica/Realtist Tax		Navica/Realtist Tax	
Effective Date of Data Source(s)	07/12/2019	07/12/2019		07/12/2019		07/12/2019	

Analysis of prior sale or transfer history of the subject property and comparable sales Texas is not a full disclosure State the full purchase price of a previous sale is not always available. No sales in last 36 months of the subject and no sales in the last year of the comparables.

Summary of Sales Comparison Approach. Subject and all comparables are located in the same MLS market area and in the same schools. Due to the lack of comparables with similar C5 condition in the subject neighborhood it was necessary to use comparables in competing neighborhoods. Comp 1 is 13 months old and is located in the subject subdivision and neighborhood. Due to differences in condition adjustments were made to comp 1. Adjustments are based on matched pair analysis and percentages. The Indicated Value by Sales Comparison Approach, \$38,000, is calculated using the following weights:

- 25.0% - 402 W 31st; Sale Price \$47,000; Adjusted Value \$43,000; Gross Adj: 12.8%
- 25.0% - 2313 W 15th; Sale Price \$43,000; Adjusted Value \$34,500; Gross Adj: 19.8%
- 50.0% - 1303 Tom Green; Sale Price \$36,000; Adjusted Value \$38,000; Gross Adj: 5.6%

Indicated Value by Sales Comparison Approach \$ **38,000**

Indicated Value by: Sales Comparison Approach \$38,000 Cost Approach (if developed) \$ 0 Income Approach (if developed) \$

All weight is placed on the market approach. Final value is supported by all comparable sales. The cost approach is used as support for the market approach. The income approach is not considered. See additional Certifications and Limiting Conditions attached.

RECONCILIATION

This appraisal is made "as is," subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair:

Based on a complete visual inspection of the interior and exterior areas of the subject property, defined scope of work, statement of assumptions and limiting conditions, and appraiser's certification, my (our) opinion of the market value, as defined, of the real property that is the subject of this report is \$ **38,000** as of 07/08/2019, which is the date of inspection and the effective date of this appraisal.

Uniform Residential Appraisal Report

File No. 071912

ADDITIONAL COMMENTS	ADDITIONAL INFORMATION CONCERNING PROPERTY CONDITION	
	This appraisal reports all readily observable property deficiencies, as well as any adverse conditions discovered while completing the appraisal. Appraisals are different from Home Inspections. Home Inspections give more detailed information about the condition of a home. Home Inspections may uncover hidden defects or conditions not readily observed by the appraiser. It is recommended that any purchaser of a home hire an independent No functional or economic obsolescence is noted.	
	INTENDED USE: the use(s) of an appraiser's reported appraisal or appraisal review assignment results, as identified by the appraiser based on communication with the client at the time of the assignment.	
	INTENDED USER: the client and any other part as identified by name or type, as users of the appraisal or appraisal review report by the appraiser, based on communication with the client at the time of the assignment.	
	SUBJECT HIGHEST AND BEST USE	
	The highest and best use of the subject property is Single Family Residential. In considering the highest and best use four test were used. Also the subject property was considered as if vacant and as improved. The four test considered are as follows: Is the current or proposed use (1) Legally permissible, (2) Physically possible, (3) Financially feasible, (4) Maximumly productive? The subject property meets all the above test as improved and as if vacant.	
	USPAP 3 YEAR STATEMENT	
	Per the Conduct Section of USPAP I am to disclose any prior service on the subject that I become aware of either prior to the assignment engagement or during the assignment process. I hereby certify that I have not performed any services regarding the subject property within the prior three years of the client engagement date, as an appraiser or any other capacity. Other capacity may include but are not limited to; property management, leasing, brokerage, auction, or investment advisory services	
	APPRAISER INDEPENDENCE STATEMENT	
	The appraiser has prepared this appraisal in full compliance with the Appraiser Independence Requirements / Dodd-Frank and has not performed, participated in, or been Associated with any activity in violation of these requirements. The appraiser certifies that the lender or the AMC did not improperly influence, or attempt to improperly influence, the outcome of this appraisal by doing any of the things prohibited by Section 1(B) of the Appraiser Independence Requirements.	
UTILITIES		
The subject utilities were on and working at the time of inspection		
COST APPROACH TO VALUE (not required by Fannie Mae)		
Provide adequate information for the lender/client to replicate the below cost figures and calculations.		
Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) <u>Land value is estimated by vacant sales in the market area. All weight is placed on the market approach. The cost approach not required by Fannie Mae. The income approach is not considered.</u>		
COST APPROACH	ESTIMATED <input type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE = \$ 8,500
	Source of cost data	Dwelling 824 Sq. Ft. @ \$ = \$ 0
	Quality rating from cost service Effective date of cost data	Sq. Ft. @ \$ = \$
	Comments on Cost Approach (gross living area calculations, depreciation, etc.)	
	The cost approach is not required by Fannie Mae.	Garage/Carport 0 Sq. Ft. @ \$ = \$ 0
		Total Estimate of Cost-New = \$ 0
		Less 50 Physical Functional External
		Depreciation \$0 = \$ (0)
		Depreciated Cost of Improvements = \$ 0
		"As-is" Value of Site Improvements = \$
Estimated Remaining Economic Life (HUD and VA only) 5 Years	INDICATED VALUE BY COST APPROACH = \$ 0	
INCOME APPROACH TO VALUE (not required by Fannie Mae)		
Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ Indicated Value by Income Approach		
Summary of Income Approach (including support for market rent and GRM) <u>The income approach is not considered appropriate because properties like the subject sell based on the market approach.</u>		
PROJECT INFORMATION FOR PUDs (if applicable)		
Is the developer/builder in control of the Homeowners' Association (HOA)? <input type="checkbox"/> Yes <input type="checkbox"/> No Unit type(s) <input type="checkbox"/> Detached <input type="checkbox"/> Attached		
Provide the following information for PUDs ONLY if the developer/builder is in control of the HOA and the subject property is an attached dwelling unit.		
Legal name of project		
Total number of phases	Total number of units Total number of units sold	
Total number of units rented	Total number of units for sale Data source(s)	
Was the project created by the conversion of an existing building(s) into a PUD? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, date of conversion.		
Does the project contain any multi-dwelling units? <input type="checkbox"/> Yes <input type="checkbox"/> No Data source(s)		
Are the units, common elements, and recreation facilities complete? <input type="checkbox"/> Yes <input type="checkbox"/> No If No, describe the status of completion.		
Are the common elements leased to or by the Homeowners' Association? <input type="checkbox"/> Yes <input type="checkbox"/> No If Yes, describe the rental terms and options.		
Describe common elements and recreational facilities.		

Uniform Residential Appraisal Report

File No. 071912

This report form is designed to report an appraisal of a one-unit property or a one-unit property with an accessory unit; including a unit in a planned unit development (PUD). This report form is not designed to report an appraisal of a manufactured home or a unit in a condominium or cooperative project.

This appraisal report is subject to the following scope of work, intended use, intended user, definition of market value, statement of assumptions and limiting conditions, and certifications. Modifications, additions, or deletions to the intended use, intended user, definition of market value, or assumptions and limiting conditions are not permitted. The appraiser may expand the scope of work to include any additional research or analysis necessary based on the complexity of this appraisal assignment. Modifications or deletions to the certifications are also not permitted. However, additional certifications that do not constitute material alterations to this appraisal report, such as those required by law or those related to the appraiser's continuing education or membership in an appraisal organization, are permitted.

SCOPE OF WORK: The scope of work for this appraisal is defined by the complexity of this appraisal assignment and the reporting requirements of this appraisal report form, including the following definition of market value, statement of assumptions and limiting conditions, and certifications. The appraiser must, at a minimum: (1) perform a complete visual inspection of the interior and exterior areas of the subject property, (2) inspect the neighborhood, (3) inspect each of the comparable sales from at least the street, (4) research, verify, and analyze data from reliable public and/or private sources, and (5) report his or her analysis, opinions, and conclusions in this appraisal report.

INTENDED USE: The intended use of this appraisal report is for the lender/client to evaluate the property that is the subject of this appraisal for a mortgage finance transaction.

INTENDED USER: The intended user of this appraisal report is the lender/client.

DEFINITION OF MARKET VALUE: The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby: (1) buyer and seller are typically motivated; (2) both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest; (3) a reasonable time is allowed for exposure in the open market; (4) payment is made in terms of cash in U. S. dollars or in terms of financial arrangements comparable thereto; and (5) the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions* granted by anyone associated with the sale.

*Adjustments to the comparables must be made for special or creative financing or sales concessions. No adjustments are necessary for those costs which are normally paid by sellers as a result of tradition or law in a market area; these costs are readily identifiable since the seller pays these costs in virtually all sales transactions. Special or creative financing adjustments can be made to the comparable property by comparisons to financing terms offered by a third party institutional lender that is not already involved in the property or transaction. Any adjustment should not be calculated on a mechanical dollar for dollar cost of the financing or concession but the dollar amount of any adjustment should approximate the market's reaction to the financing or concessions based on the appraiser's judgment.

STATEMENT OF ASSUMPTIONS AND LIMITING CONDITIONS: The appraiser's certification in this report is subject to the following assumptions and limiting conditions:

1. The appraiser will not be responsible for matters of a legal nature that affect either the property being appraised or the title to it, except for information that he or she became aware of during the research involved in performing this appraisal. The appraiser assumes that the title is good and marketable and will not render any opinions about the title.
2. The appraiser has provided a sketch in this appraisal report to show the approximate dimensions of the improvements. The sketch is included only to assist the reader in visualizing the property and understanding the appraiser's determination of its size.
3. The appraiser has examined the available flood maps that are provided by the Federal Emergency Management Agency (or other data sources) and has noted in this appraisal report whether any portion of the subject site is located in an identified Special Flood Hazard Area. Because the appraiser is not a surveyor, he or she makes no guarantees, express or implied, regarding this determination.
4. The appraiser will not give testimony or appear in court because he or she made an appraisal of the property in question, unless specific arrangements to do so have been made beforehand, or as otherwise required by law.
5. The appraiser has noted in this appraisal report any adverse conditions (such as needed repairs, deterioration, the presence of hazardous wastes, toxic substances, etc.) observed during the inspection of the subject property or that he or she became aware of during the research involved in performing this appraisal. Unless otherwise stated in this appraisal report, the appraiser has no knowledge of any hidden or unapparent physical deficiencies or adverse conditions of the property (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) that would make the property less valuable, and has assumed that there are no such conditions and makes no guarantees or warranties, express or implied. The appraiser will not be responsible for any such conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because the appraiser is not an expert in the field of environmental hazards, this appraisal report must not be considered as an environmental assessment of the property.
6. The appraiser has based his or her appraisal report and valuation conclusion for an appraisal that is subject to satisfactory completion, repairs, or alterations on the assumption that the completion, repairs, or alterations of the subject property will be performed in a professional manner.

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APPRAISER'S CERTIFICATION: The Appraiser certifies and agrees that:

1. I have, at a minimum, developed and reported this appraisal in accordance with the scope of work requirements stated in this appraisal report.
2. I performed a complete visual inspection of the interior and exterior areas of the subject property. I reported the condition of the improvements in factual, specific terms. I identified and reported the physical deficiencies that could affect the livability, soundness, or structural integrity of the property.
3. I performed this appraisal in accordance with the requirements of the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
4. I developed my opinion of the market value of the real property that is the subject of this report based on the sales comparison approach to value. I have adequate comparable market data to develop a reliable sales comparison approach for this appraisal assignment. I further certify that I considered the cost and income approaches to value but did not develop them, unless otherwise indicated in this report.
5. I researched, verified, analyzed, and reported on any current agreement for sale for the subject property, any offering for sale of the subject property in the twelve months prior to the effective date of this appraisal, and the prior sales of the subject property for a minimum of three years prior to the effective date of this appraisal, unless otherwise indicated in this report.
6. I researched, verified, analyzed, and reported on the prior sales of the comparable sales for a minimum of one year prior to the date of sale of the comparable sale, unless otherwise indicated in this report.
7. I selected and used comparable sales that are locationally, physically, and functionally the most similar to the subject property.
8. I have not used comparable sales that were the result of combining a land sale with the contract purchase price of a home that has been built or will be built on the land.
9. I have reported adjustments to the comparable sales that reflect the market's reaction to the differences between the subject property and the comparable sales.
10. I verified, from a disinterested source, all information in this report that was provided by parties who have a financial interest in the sale or financing of the subject property.
11. I have knowledge and experience in appraising this type of property in this market area.
12. I am aware of, and have access to, the necessary and appropriate public and private data sources, such as multiple listing services, tax assessment records, public land records and other such data sources for the area in which the property is located.
13. I obtained the information, estimates, and opinions furnished by other parties and expressed in this appraisal report from reliable sources that I believe to be true and correct.
14. I have taken into consideration the factors that have an impact on value with respect to the subject neighborhood, subject property, and the proximity of the subject property to adverse influences in the development of my opinion of market value. I have noted in this appraisal report any adverse conditions (such as, but not limited to, needed repairs, deterioration, the presence of hazardous wastes, toxic substances, adverse environmental conditions, etc.) observed during the inspection of the subject property or that I became aware of during the research involved in performing this appraisal. I have considered these adverse conditions in my analysis of the property value, and have reported on the effect of the conditions on the value and marketability of the subject property.
15. I have not knowingly withheld any significant information from this appraisal report and, to the best of my knowledge, all statements and information in this appraisal report are true and correct.
16. I stated in this appraisal report my own personal, unbiased, and professional analysis, opinions, and conclusions, which are subject only to the assumptions and limiting conditions in this appraisal report.
17. I have no present or prospective interest in the property that is the subject of this report, and I have no present or prospective personal interest or bias with respect to the participants in the transaction. I did not base, either partially or completely, my analysis and/or opinion of market value in this appraisal report on the race, color, religion, sex, age, marital status, handicap, familial status, or national origin of either the prospective owners or occupants of the subject property or of the present owners or occupants of the properties in the vicinity of the subject property or on any other basis prohibited by law.
18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).
19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.
20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser's or supervisory appraiser's (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

Uniform Residential Appraisal Report

File No. 071912

22. I am aware that any disclosure or distribution of this appraisal report by me or the lender/client may be subject to certain laws and regulations. Further, I am also subject to the provisions of the Uniform Standards of Professional Appraisal Practice that pertain to disclosure or distribution by me.

23. The borrower, another lender at the request of the borrower, the mortgagee or its successors and assigns, mortgage insurers, government sponsored enterprises, and other secondary market participants may rely on this appraisal report as part of any mortgage finance transaction that involves any one or more of these parties.

24. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

25. Any intentional or negligent misrepresentation(s) contained in this appraisal report may result in civil liability and/or criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Section 1001, et seq., or similar state laws.

UAD DEFINITIONS Using one UAD rating or definition concerning Condition and Quality of the subject and comparables is not always appropriate. UAD definitions typically do not adequately or fully describe these two components. Due to numerous differences in property quality and condition definitions are not always a 100% reflection of the subject quality and condition. Therefore UAD definitions for quality and condition should be used as a general guideline for the reader and not a 100% accurate definition.

SUPERVISORY APPRAISER'S CERTIFICATION: The Supervisory Appraiser certifies and agrees that:

1. I directly supervised the appraiser for this appraisal assignment, have read the appraisal report, and agree with the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
2. I accept full responsibility for the contents of this appraisal report including, but not limited to, the appraiser's analysis, opinions, statements, conclusions, and the appraiser's certification.
3. The appraiser identified in this appraisal report is either a sub-contractor or an employee of the supervisory appraiser (or the appraisal firm), is qualified to perform this appraisal, and is acceptable to perform this appraisal under the applicable state law.
4. This appraisal report complies with the Uniform Standards of Professional Appraisal Practice that were adopted and promulgated by the Appraisal Standards Board of The Appraisal Foundation and that were in place at the time this appraisal report was prepared.
5. If this appraisal report was transmitted as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or a facsimile transmission of this appraisal report containing a copy or representation of my signature, the appraisal report shall be as effective, enforceable and valid as if a paper version of this appraisal report were delivered containing my original hand written signature.

APPRAISER

Signature David J. Morgan
Name David Morgan
Company Name David J. Morgan & Associates Inc
Company Address 6215 Liberty Hill St
Dallas, TX 75248
Telephone Number 972-345-5853
Email Address david@davidappraiser.com
Date of Signature and Report 07/12/2019
Effective Date of Appraisal 07/08/2019
State Certification # 1325636
or State License # _____
or Other (describe) _____ State # _____
State TX
Expiration Date of Certification or License 10/31/2019

ADDRESS OF PROPERTY APPRAISED

211 Cummings Dr
Odessa, TX 79763

APPRAISED VALUE OF SUBJECT PROPERTY \$ 38,000

LENDER/CLIENT

Name No AMC
Company Name Odessa College
Company Address 201 W University Spur Building, Room 210
Odessa, TX 79764
Email Address _____

SUPERVISORY APPRAISER (ONLY IF REQUIRED)

Signature _____
Name _____
Company Name _____
Company Address _____
Telephone Number _____
Email Address _____
Date of Signature _____
State Certification # _____
or State License # _____
State _____
Expiration Date of Certification or License _____

SUBJECT PROPERTY

Did not inspect subject property
 Did inspect exterior of subject property from street
Date of Inspection _____
 Did inspect interior and exterior of subject property
Date of Inspection _____

COMPARABLE SALES

Did not inspect exterior of comparable sales from street
 Did inspect exterior of comparable sales from street
Date of Inspection _____

Condition Ratings and Definitions

C1 The improvements have been very recently constructed and have not previously been occupied. The entire structure and all components are new and the dwelling features no physical depreciation.*

**Note: Newly constructed improvements that feature recycled materials and/or components can be considered new dwellings provided that the dwelling is placed on a 100% new foundation and the recycled materials and the recycled components have been rehabilitated/re-manufactured into like-new condition. Recently constructed improvements that have not been previously occupied are not considered "new" if they have any significant physical depreciation (i.e., newly constructed dwellings that have been vacant for an extended period of time without adequate maintenance or upkeep).*

C2 The improvements feature no deferred maintenance, little or no physical depreciation, and require no repairs. Virtually all building components are new or have been recently repaired, refinished, or rehabilitated. All outdated components and finishes have been updated and/or replaced with components that meet current standards. Dwellings in this category either are almost new or have been recently completely renovated and are similar in condition to new construction.

**Note: The improvements represent a relatively new property that is well maintained with no deferred maintenance and little or no physical depreciation, or an older property that has been recently completely renovated.*

C3 The improvements are well maintained and feature limited physical depreciation due to normal wear and tear. Some components, but not every major building component, may be updated or recently rehabilitated. The structure has been well maintained.

**Note: The improvement is in its first-cycle of replacing short-lived building components (appliances, floor coverings, HVAC, etc.) and is being well maintained. Its estimated effective age is less than its actual age. It also may reflect a property in which the majority of short-lived building components have been replaced but not to the level of a complete renovation.*

C4 The improvements feature some minor deferred maintenance and physical deterioration due to normal wear and tear. The dwelling has been adequately maintained and requires only minimal repairs to building components/mechanical systems and cosmetic repairs. All major building components have been adequately maintained and are functionally adequate.

**Note: The estimated effective age may be close to or equal to its actual age. It reflects a property in which some of the short-lived building components have been replaced, and some short-lived building components are at or near the end of their physical life expectancy; however, they still function adequately. Most minor repairs have been addressed on an ongoing basis resulting in an adequately maintained property.*

C5 The improvements feature obvious deferred maintenance and are in need of some significant repairs. Some building components need repairs, rehabilitation, or updating. The functional utility and overall livability is somewhat diminished due to condition, but the dwelling remains useable and functional as a residence.

**Note: Some significant repairs are needed to the improvements due to the lack of adequate maintenance. It reflects a property in which many of its short-lived building components are at the end of or have exceeded their physical life expectancy but remain functional.*

C6 The improvements have substantial damage or deferred maintenance with deficiencies or defects that are severe enough to affect the safety, soundness, or structural integrity of the improvements. The improvements are in need of substantial repairs and rehabilitation, including many or most major components.

**Note: Substantial repairs are needed to the improvements due to the lack of adequate maintenance or property damage. It reflects a property with conditions severe enough to affect the safety, soundness, or structural integrity of the improvements.*

Quality Ratings and Definitions

Q1 Dwellings with this quality rating are usually unique structures that are individually designed by an architect for a specified user. Such residences typically are constructed from detailed architectural plans and specifications and feature an exceptionally high level of workmanship and exceptionally high-grade materials throughout the interior and exterior of the structure. The design features exceptionally high-quality exterior refinements and ornamentation, and exceptionally high-quality interior refinements. The workmanship, materials, and finishes throughout the dwelling are of exceptionally high quality.

Q2 Dwellings with this quality rating are often custom designed for construction on an individual property owner's site. However, dwellings in this quality grade are also found in high-quality tract developments featuring residences constructed from individual plans or from highly modified or upgraded plans. The design features detailed, high-quality exterior ornamentation, high-quality interior refinements, and detail. The workmanship, materials, and finishes throughout the dwelling are generally of high or very high quality.

Q3 Dwellings with this quality rating are residences of higher quality built from individual or readily available designer plans in above-standard residential tract developments or on an individual property owner's site. The design includes significant exterior ornamentation and interiors that are well finished. The workmanship exceeds acceptable standards and many materials and finishes throughout the dwelling have been upgraded from "stock" standards.

Q4 Dwellings with this quality rating meet or exceed the requirements of applicable building codes. Standard or modified standard building plans are utilized and the design includes adequate fenestration and some exterior ornamentation and interior refinements. Materials, workmanship, finish, and equipment are of stock or builder grade and may feature some upgrades.

Q5 Dwellings with this quality rating feature economy of construction and basic functionality as main considerations. Such dwellings feature a plain design using readily available or basic floor plans featuring minimal fenestration and basic finishes with minimal exterior ornamentation and limited interior detail. These dwellings meet minimum building codes and are constructed with inexpensive, stock materials with limited refinements and upgrades.

Q6 Dwellings with this quality rating are of basic quality and lower cost; some may not be suitable for year-round occupancy. Such dwellings are often built with simple plans or without plans, often utilizing the lowest quality building materials. Such dwellings are often built or expanded by persons who are professionally unskilled or possess only minimal construction skills. Electrical, plumbing, and other mechanical systems and equipment may be minimal or non-existent. Older dwellings may feature one or more substandard or non-conforming additions to the original structure.

Definitions of Not Updated, Updated, and Remodeled

Not Updated

Little or no updating or modernization. This description includes, but is not limited to, new homes.

Residential properties of fifteen years of age or less often reflect an original condition with no updating, if no major components have been replaced or updated. Those over fifteen years of age are also considered not updated if the appliances, fixtures, and finishes are predominantly dated. An area that is 'Not Updated' may still be well maintained and fully functional, and this rating does not necessarily imply deferred maintenance or physical /functional deterioration.

Updated

The area of the home has been modified to meet current market expectations. These modifications are limited in terms of both scope and cost.

An updated area of the home should have an improved look and feel, or functional utility. Changes that constitute updates include refurbishment and/or replacing components to meet existing market expectations. Updates do not include significant alterations to the existing structure.

Remodeled

Significant finish and/or structural changes have been made that increase utility and appeal through complete replacement and/or expansion.

A remodeled area reflects fundamental changes that include multiple alterations. These alterations may include some or all of the following: replacement of a major component (cabinet(s), bathtub, or bathroom tile), relocation of plumbing/gas fixtures/appliances, significant structural alterations (relocating walls, and/or the addition of square footage). This would include a complete gutting and rebuild.

Explanation of Bathroom Count

The number of full and half baths is reported by separating the two values by a period. The full bath is represented to the left of the period. The half bath count is represented to the right of the period. Three-quarter baths are to be counted as a full bath in all cases. Quarter baths (baths that feature only toilet) are not to be included in the bathroom count.

SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Odessa College	File No.: 071912	
Property Address: 211 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



**FRONT VIEW OF
SUBJECT PROPERTY**

Appraised Date: July 8, 2019
Appraised Value: \$ 38,000



**REAR VIEW OF
SUBJECT PROPERTY**



STREET SCENE

Borrower: Odessa College	File No.: 071912	
Property Address: 211 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



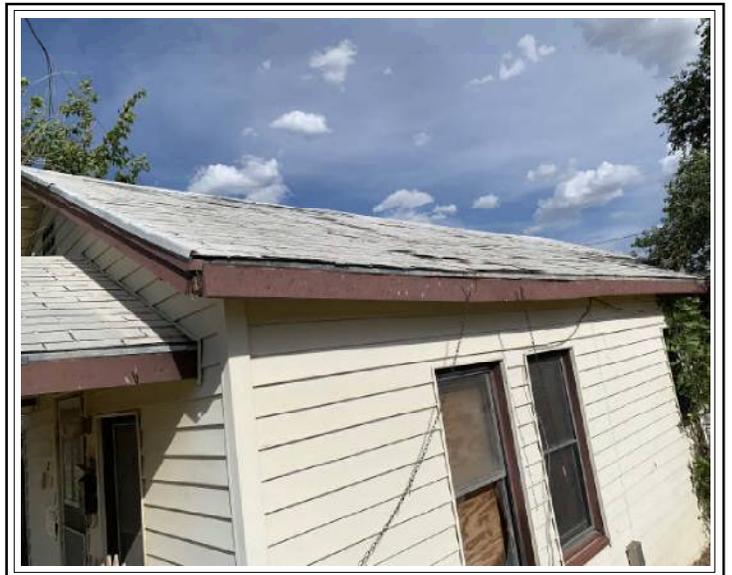
Side View



Side View



Carport



Roof damage and broken window



Boards over windows.

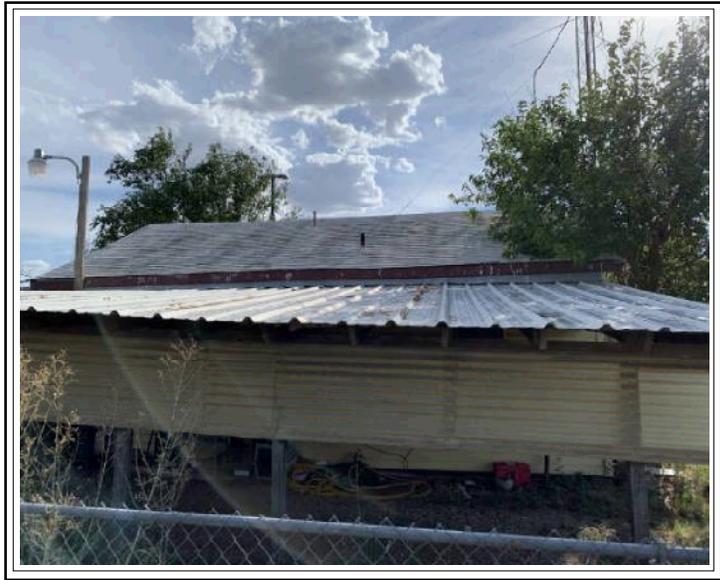


Interior Roof leak

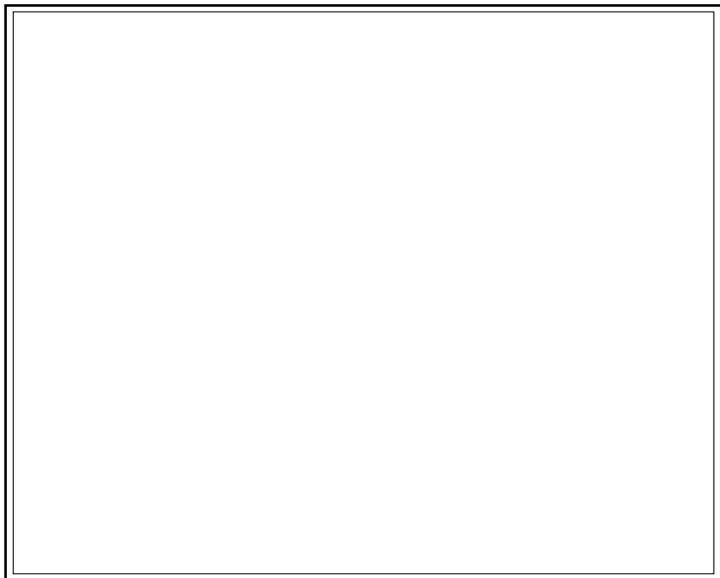
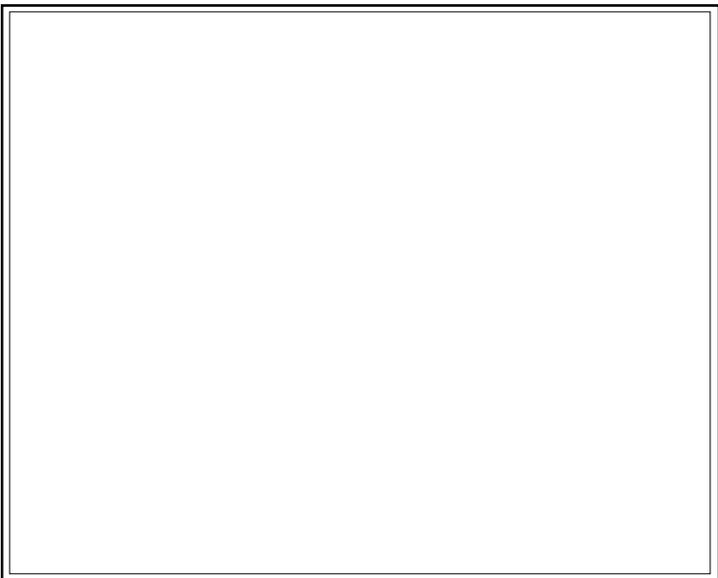
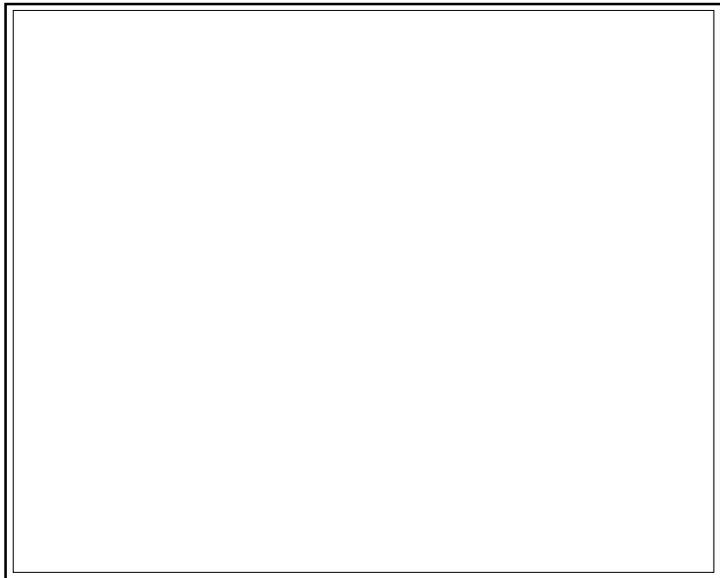
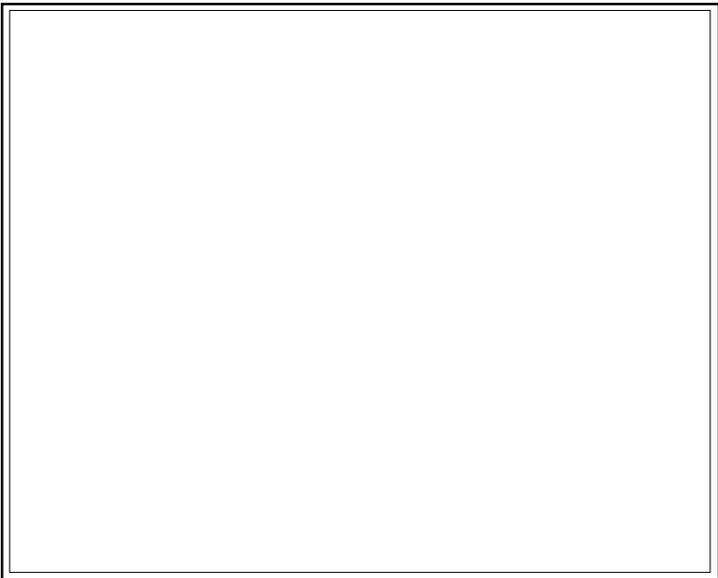
Borrower: Odessa College	File No.: 071912	
Property Address: 211 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



Board over window



Damaged roofing



INTERIOR PHOTOS

Borrower: Odessa College	File No.: 071912	
Property Address: 211 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



Kitchen

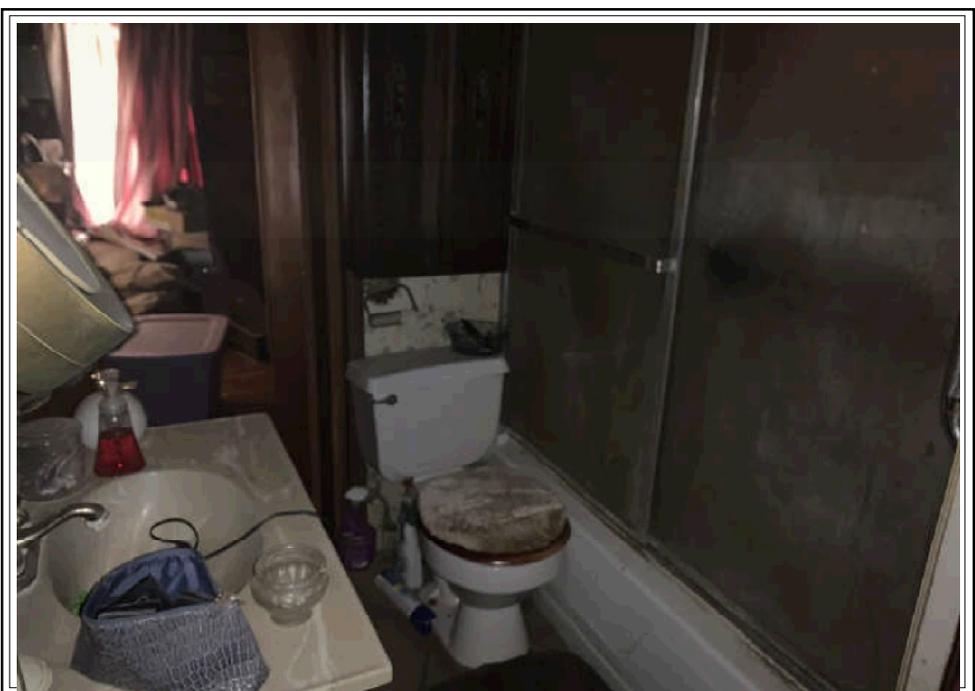
Comment:



Living Area

Description:

Comment:



Bathroom

Description:
Master Bath

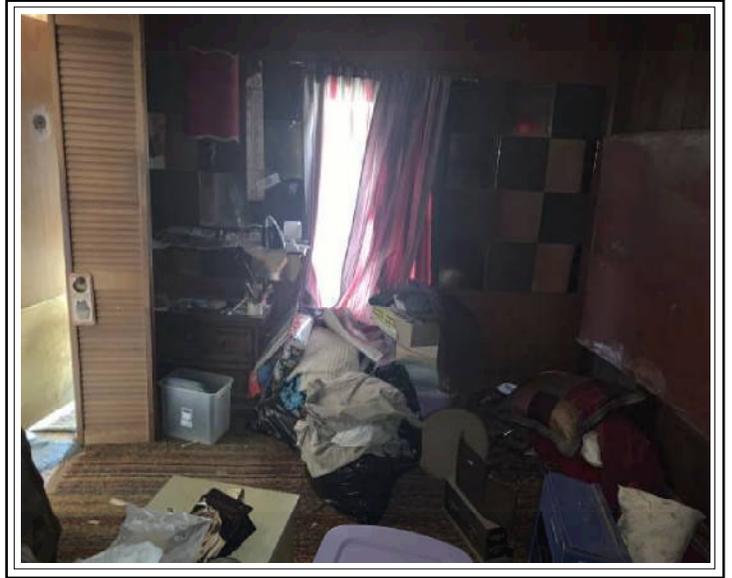
Comment:

INTERIOR PHOTOS

Borrower: Odessa College	File No.: 071912	
Property Address: 211 Cummings Dr	Case No.:	
City: Odessa	State: TX	Zip: 79763
Lender: Odessa College		



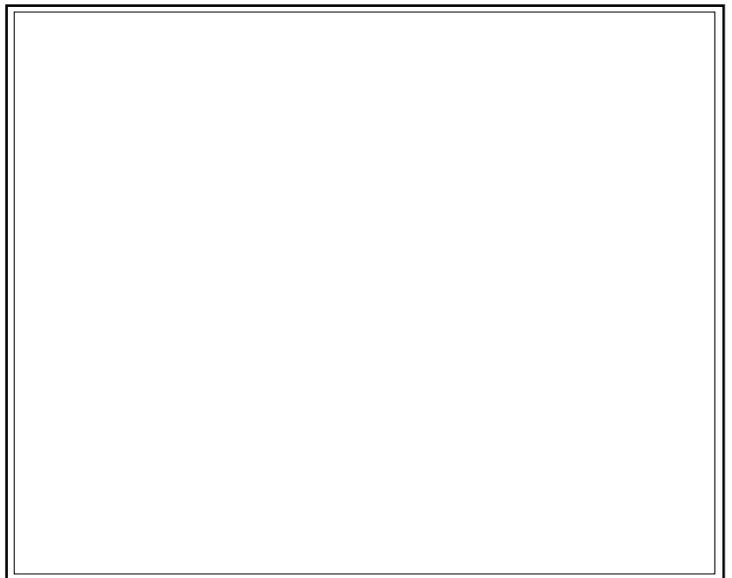
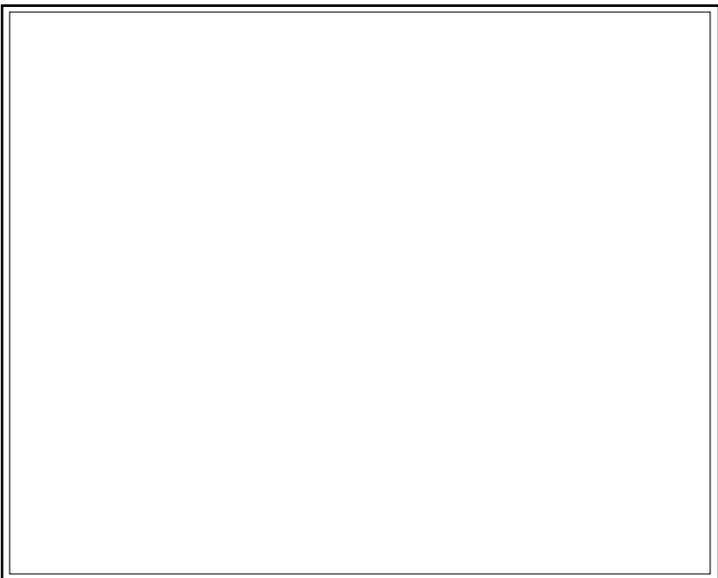
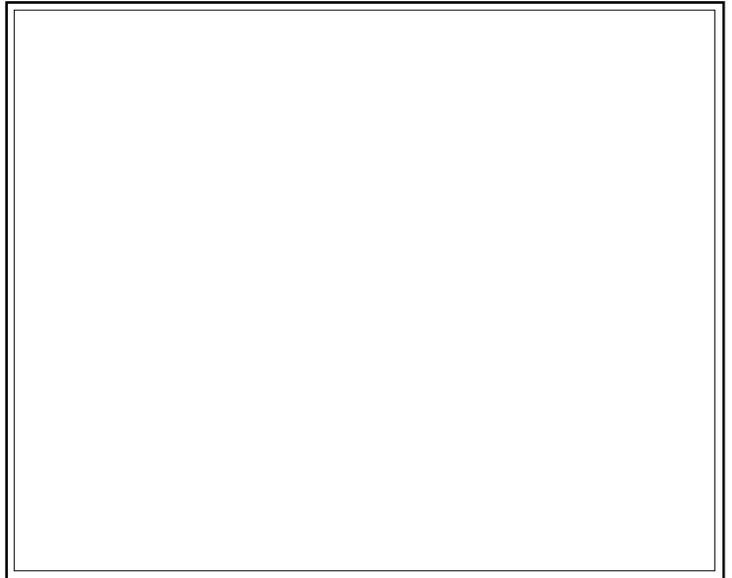
Bedroom



Bedroom

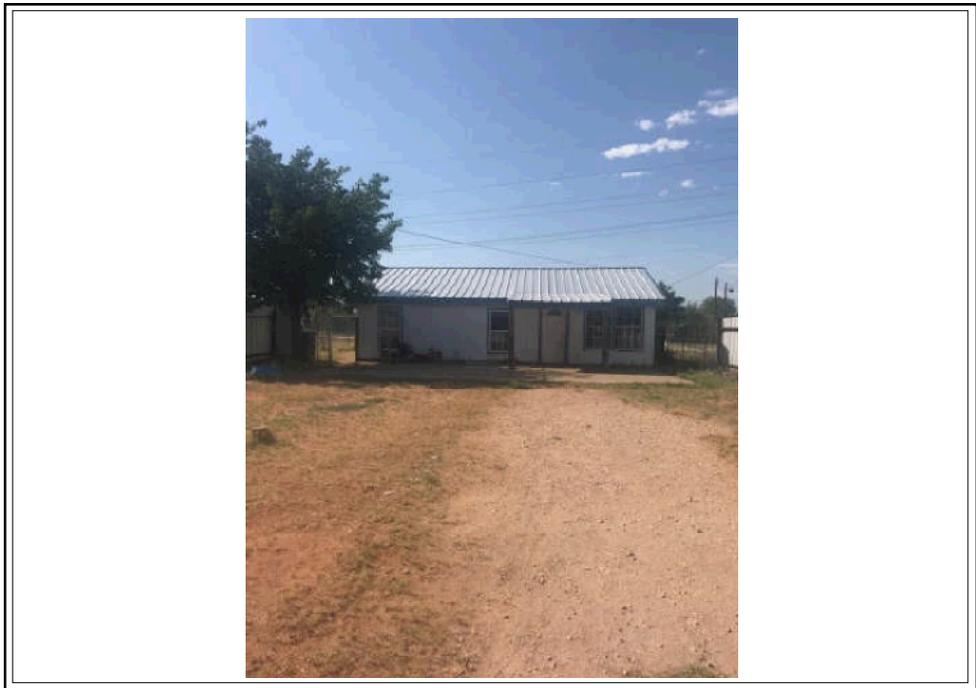


Family Room



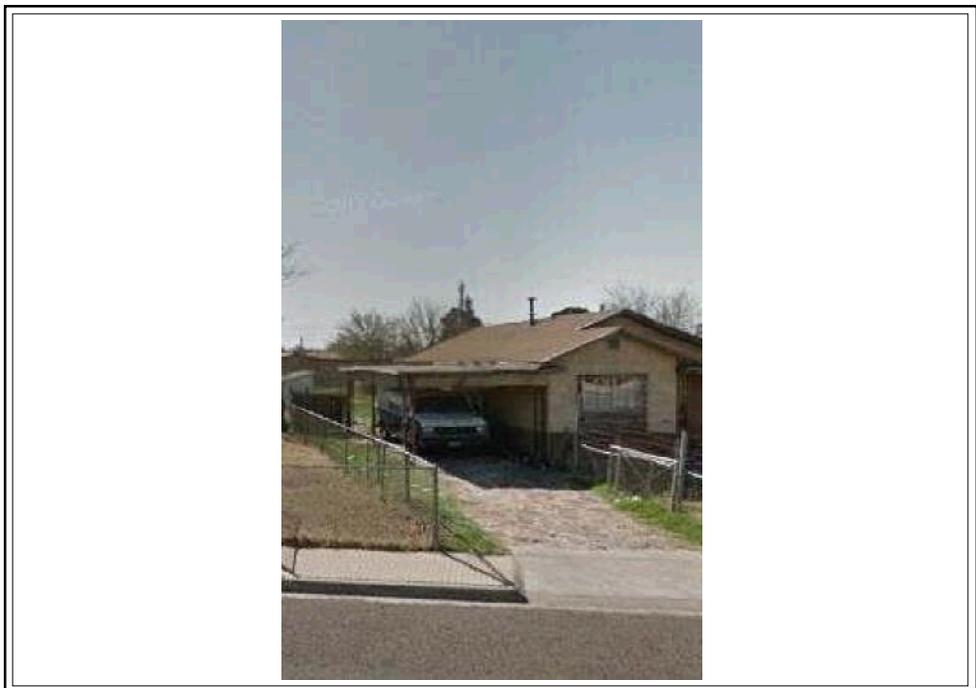
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Odessa College	File No.: 071912
Property Address: 211 Cummings Dr	Case No.:
City: Odessa	State: TX Zip: 79763
Lender: Odessa College	



COMPARABLE SALE #1

402 W 31st
Odessa, TX 79763
Sale Date: s06/18;c05/18
Sale Price: \$ 47,000



COMPARABLE SALE #2

2313 W 15th
Odessa, TX 79761
Sale Date: s01/19;c12/18
Sale Price: \$ 43,000



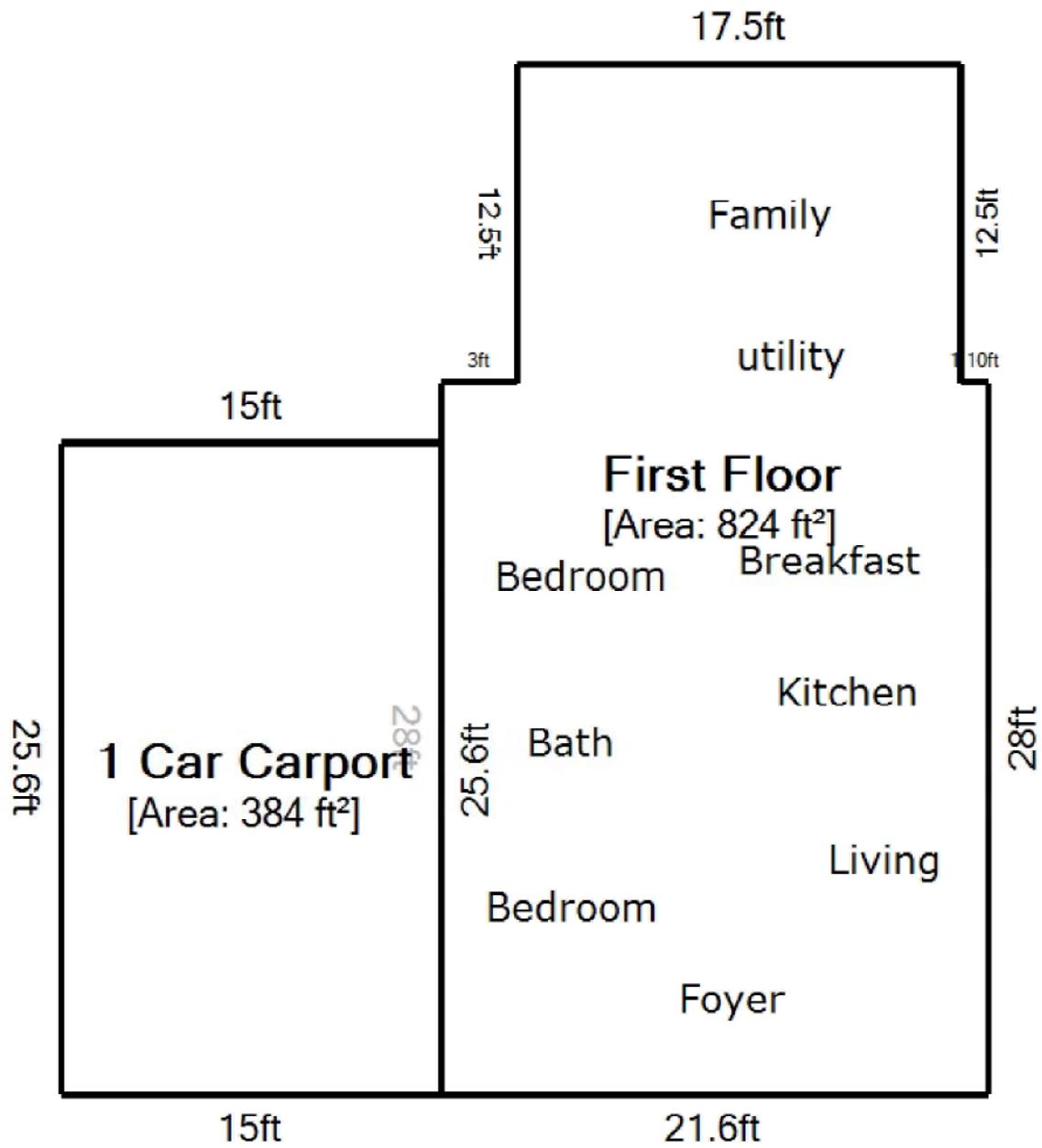
COMPARABLE SALE #3

1303 Tom Green
Odessa, TX 79761
Sale Date: s03/19;c02/19
Sale Price: \$ 36,000

FLOORPLAN SKETCH

Borrower: Odessa College	File No.: 071912
Property Address: 211 Cummings Dr	Case No.:
City: Odessa	State: TX Zip: 79763
Lender: Odessa College	

Sketch

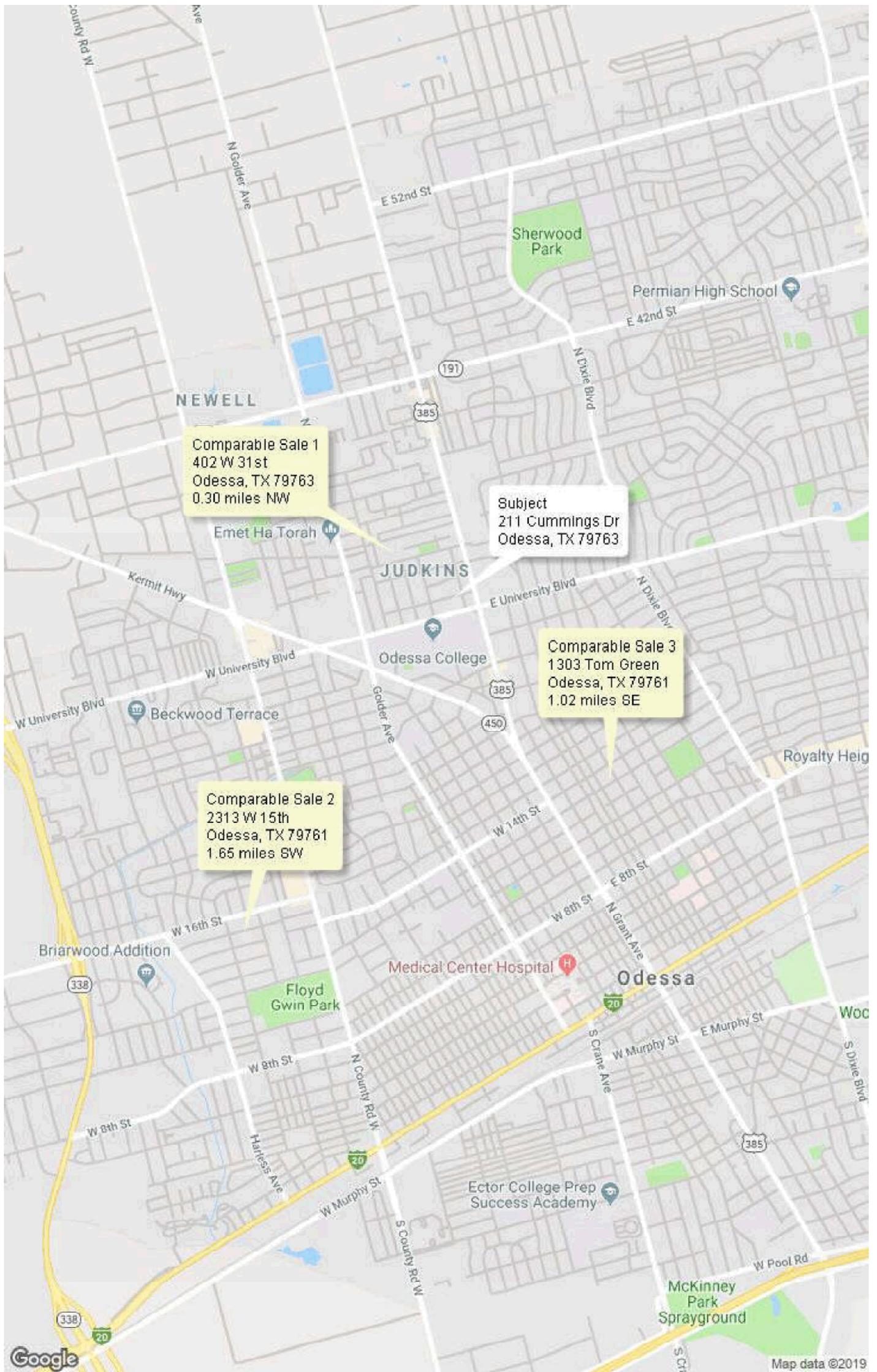


Living Area	Area Calculation			
First Floor	823.55 ft ²	First Floor		x 1.00 = 823.55 ft ²
Nonliving Area			12.5ft x 17.5ft x 1.00 =	218.75 ft ²
1 Car Carport	384 ft ²		21.6ft x 28ft x 1.00 =	604.8 ft ²
Total Living Area (rounded):	824 ft²			

LOCATION MAP

Borrower: Odessa College
Property Address: 211 Cummings Dr
City: Odessa
Lender: Odessa College

File No.: 071912
Case No.:
State: TX
Zip: 79763



Comparable Sale 1
402 W 31st
Odessa, TX 79763
0.30 miles NW

Subject
211 Cummings Dr
Odessa, TX 79763

Comparable Sale 3
1303 Tom Green
Odessa, TX 79761
1.02 miles SE

Comparable Sale 2
2313 W 15th
Odessa, TX 79761
1.65 miles SW

AERIAL MAP

Borrower: Odessa College
Property Address: 211 Cummings Dr
City: Odessa
Lender: Odessa College

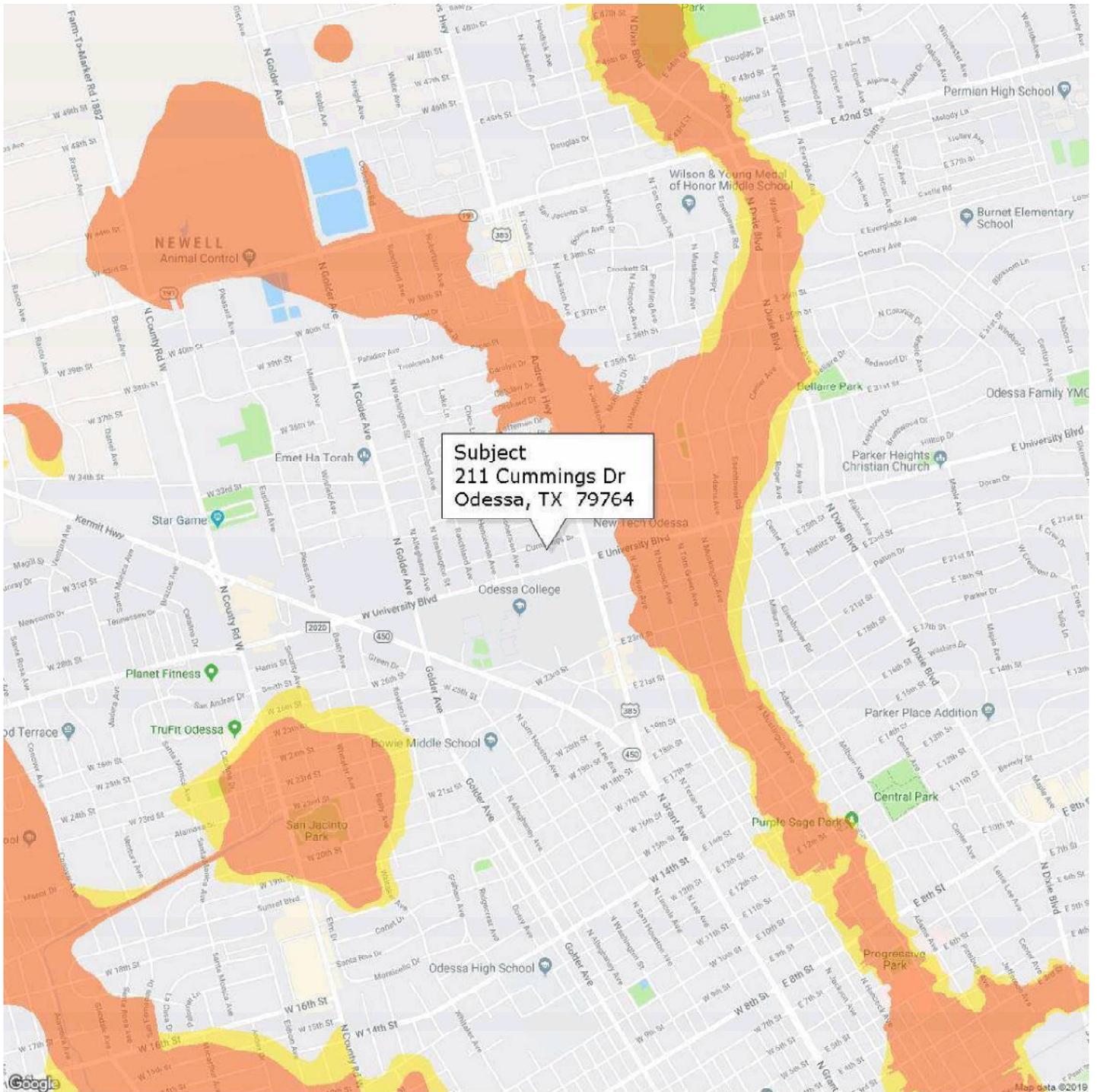
File No.: 071912
Case No.:
State: TX
Zip: 79763



FLOOD MAP

Borrower: Odessa College
 Property Address: 211 Cummings Dr
 City: Odessa
 Lender: Odessa College

File No.: 071912
 Case No.:
 State: TX
 Zip: 79763



FLOOD INFORMATION

Community: City of Odessa
 Property is **NOT** in a FEMA Special Flood Hazard Area
Map Number: 48135C0335E
Panel: 0335E
Zone: X
Map Date: 03-15-2012
FIPS: 48135
Source: FEMA DFIRM

LEGEND

- = FEMA Special Flood Hazard Area – High Risk
- = Moderate and Minimal Risk Areas
- Road View:**
- = Forest
- = Water

Sky Flood™

No representations or warranties to any party concerning the content, accuracy or completeness of this flood report, including any warranty of merchantability or fitness for a particular purpose is implied or provided. Visual scaling factors differ between map layers and are separate from flood zone information at marker location. No liability is accepted to any third party for any use or misuse of this flood map or its data.

David J Morgan

APPRAISAL EXPERIENCE

1995-Present David J. Morgan & Associates, Inc, Residential Appraisals, Dallas, Texas. Reviewed and or appraised over 20,000 single-family, duplex, triplex, four-plex, condominium, manufactured homes, etc, residential appraisals.

1989-1995 David J. Morgan, Real Estate/Independent Contractor, Dallas, Texas

Completed evaluation of commercial properties for private clients and Governmental agencies in the United States.

1986-1989 State of Texas Veterans Land Board and the General Land Office; Austin Texas/Appraiser. Completed land appraisals and asset management appraisals of State Government owned special use properties.

CERTIFICATIONS LICENSES & MEMBERSHIPS

Texas Certified General Real Estate Appraiser#1325636-G

Licensed Texas Real Estate Broker#0381709

GAA Designated Appraiser National Association of Realtors#3143

FHA/HUD Lender Selection Roster of Appraisers

Member Metrotex Association of Realtors, Dallas TX

Member Permian Basin Board of Realtors, Midland TX

Member Association of Texas Appraisers #13361

Member National Association of Appraisers MNAA Designated

EDUCATION

1980 - Associate of Arts Austin Community College, Austin, Texas

APPRAISAL & REAL ESTATE EDUCATION

2019-Mandatory Continuing Ed for Real Estate Broker, Broker Responsibility Course, TX Real Estate Commission Legal Updates 1 & 2, TX Common Legal Issues in Real Estate

2017-USPAP 2016-2017, Better Safe Than Sorry, Green in Residences and Appraisals, Property Valuation Analysis For FHA

2015-Mandatory Continuing Ed for Real Estate Broker, Broker Responsibility, TREC Legal Updates & Ethics, TX Real Estate Contracts, Champions School of Real Estate

2013-Mandatory Continuing Ed for Real Estate Broker, Green In Residences Appraisals, Methodolgy and Applications of the Sales Comparison, Champions School of Real Estate

2013-Appraiser Continuing Ed, Appraisal Review of Residential Properties, USPAP Update Course; Champions School of Real Estate

2011- Land and Site Valuation,Com;- REO & Foreclosures, McKissock.Com; Appraising 2-4 Family & Multifamily Properties;

USPAP Update,Supervising Appraisal Trainees, Mortgage Fraud, Making FHA Loans, Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School

2009 - FHA & VA Appraisals;USPAP Update;Introduction to Commercial Appraisals; Mortgage Fraud; Supervising Appraisal Trainees - Champions RE School

2000-2007 - USPAP Update, McKissock School; Sales Comparison, Income and Cost Approaches- & Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School; National USPAP Update, Appraising the Oddball Residential Property, McKissock Appraisal School Professionals Guide to the URAR, Appraisal Institute, Texas Mandatory Continuing Ed For R. E. Professionals, Champions RE School, FHA Appraising Today, McKissock Appraisal School, Real Estate Appraisal, Lon Morris College, Dallas Tx; Uniform Standards of Professional Appraisal Practice, McKissock Appraisal School;TX Mandatory Continuing Ed For R. E. Professionals;Uniform Standards of Professional Appraisal Practice, McKissock Appraisal School;Texas Mandatory Continuing Ed For R. E. Professionals;

1990-1999 - Real Estate Appraisal, SW Assemblies University, Waxachachie, TX; Uniform Standards of Professional Appraisal Practice, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; HUD Standards Update, N A of Master Appraisers, Dallas TX; Texas Mandatory Continuing Ed For R. E. Professionals; Affordable Housing, Appraisal Institute, Dallas TX; Uniform Standards of Pro. Appraisal Practice, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; Techniques of Income Property Appraisal, SW Assemblies U., Waxachachie, TX; Texas Mandatory Continuing Ed For R. E. Professionals; Uniform Standards of Professional. Appraisal Practice, Richland College, Dallas, TX; Writing The Narrative Appraisal, Principle of Appraisal;Practice of Appraisal, National Association of Master Appraisers, Dallas TX

1986-1989 - Texas State Property Tax Course, Dallas Central Appraisal District, Dallas TX;Real Estate Law, Austin Community College, Austin TX TX; Basic Valuation Procedures, American Institute of Appraisers, Houston, TX, Real Estate; Appraisal Principles American Institute of Appraisers, Ft Worth, TX, Real Estate Appraisal, Real Estate Principles Richland College, Dallas, TX

Borrower: Odessa College	File No.: 071912
Property Address: 211 Cummings Dr	Case No.:
City: Odessa	State: TX Zip: 79763
Lender: Odessa College	

You may wish to laminate the pocket identification card to preserve it.

DAVID JETER MORGAN
6215 LIBERTY HILL
DALLAS, TX 75248

The person named on the reverse is licensed by the Texas Appraiser Licensing and Certification Board.

Inquiry as to the status of this license may be made to:

Texas Appraiser Licensing and Certification Board
P.O. Box 12188
Austin, Tx 78711-2188
www.talcb.texas.gov
(512) 936-3001
Fax:(512) 936-3899

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number#: **TX 1325636 G**

Issued: **10/17/2017** Expires: **10/31/2019**

Appraiser: **DAVID JETER MORGAN**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Douglas E. Oldmixon
Commissioner

Texas Appraiser Licensing and Certification Board
P.O. Box 12188 Austin, Texas 78711-2188

Certified General Real Estate Appraiser

Number: **TX 1325636 G**

Issued: **10/17/2017** Expires: **10/31/2019**

Appraiser: **DAVID JETER MORGAN**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Texas Occupations Code, Chapter 1103, is authorized to use this title, Certified General Real Estate Appraiser.

Douglas E. Oldmixon
Douglas E. Oldmixon
Commissioner

APPRAISAL REPORT

**College Terrace Apartments
300 West University Boulevard
Odessa, Ector County, Texas**

At the Request of

**Ms. Cindy Curnutt
Director of Purchasing & Business Services
Odessa College
201 W. University
Spur Building, Room 210
Odessa, Texas 79764**

**As of
June 19, 2019 ("As Is") and
September 19, 2019 ("Upon Completion")**

JOHN C. WAGGONER & ASSOCIATES

July 16, 2019

Ms. Cindy Curnutt
Director of Purchasing & Business Services
Odessa College
201 W. University
Spur Building, Room 210
Odessa, Texas 79764

Reference: Real Estate Appraisal Assignment
Existing Apartment Project - College Terrace Apartments
300 West University Boulevard
Odessa, Ector County, Texas

Dear Ms. Curnutt:

In response to our agreement to prepare an Appraisal Report of the above-referenced property, an inspection of the real estate was conducted. This inspection was made for the purpose of estimating the Market Value "As Is" of the of the Fee Simple Estate in College Terrace Apartments - a circa 1965, 25-unit apartment complex and underlying 0.643 acre of land located at 300 West University Boulevard, City of Odessa, Ector County, Texas. The property is located at the northwest corner of the intersection formed by West University Boulevard and Robertson Avenue. The date of the "As Is" opinion of value is June 19, 2019.

In addition, the appraisers have estimated the Prospective Market Value of the Fee Simple Estate in the subject property under the "Upon Completion" appraisal premise, assuming the completion of the proposed renovations. The effective date of the appraisal under the "Upon Completion" appraisal premise is September 19, 2019, or approximately three months after the "As Is" appraisal date. It is the appraisers' opinion that the project will be operating at a stabilized occupancy upon completion of the proposed renovations.

5030 EAST UNIVERSITY BOULEVARD, SUITE B-104, ODESSA, TEXAS 79762

In addition to a careful physical inspection and analysis of the subject property, other matters considered pertinent to and indicative of Market Value have been examined. Such influences include social, economic, governmental, and environmental characteristics of the neighborhood together with an assessment of prevailing market trends and market sales. John C. Waggoner, MAI SRA and Jimmy Pat James, MAI have inspected the subject property and the subject neighborhood.

This appraisal was made in conformity with and subject to the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute. The analysis, opinions, and conclusions of this appraisal also conform to Title XI of the Federal Financial Institutions Reform Recovery, and Enforcement Act of 1989 (*FIRREA*) and its regulations, as well as the Uniform Standards of Professional Appraisal Practice of the Appraisal Foundation and the Appraisal Institute.

The appraisal was based upon a personal inspection of the property and the investigation and analysis of data obtained for this assignment. The appraisers are unbiased with respect to the parties involved and have no present or contemplated future interest in the property appraised. Accordingly, statements are true to the best of the appraisers' knowledge and compensation for making the appraisal has, in no manner, been contingent upon the value conclusions reported herein.

The accompanying report describes the three approaches to value and the conclusions derived by the application of each. Specific *Assumptions and Limiting Conditions*, which are an integral part of the appraisal process, are outlined within this Appraisal Report.

Based upon an inspection of the property and the investigation and analysis of data obtained, the appraisers have formed the opinion that the Market Value of the Fee Simple Estate "As Is" in the subject apartment project, as of June 19, 2019, and subject to the definitions, certifications and limiting conditions set forth in the attached Appraisal Report, is:

SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS

(\$765,000)

Moreover, based upon an inspection of the subject property and the investigation and analysis of data obtained, the appraisers have formed the opinion that the prospective Market Value of the Fee Simple Estate "Upon Completion" in the subject property, and subject to the definitions, certifications and limiting conditions set forth in the attached Appraisal Report, as of September 19, 2019, will be:

**ONE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
(\$1,175,000)**

It is noted that the opinion of the Prospective Market Value of the Fee Simple Estate in the subject property "Upon Completion" is based upon the extraordinary assumption that the proposed renovations have been completed. The use of this extraordinary assumption may have affected the results of this assignment. It is our opinion that the subject project will be operating at a stabilized occupancy level upon completion of the proposed renovations.

The estimated marketing period for the subject property (under both appraisal premises) is estimated to be approximately twelve months. The exposure period is also estimated to be approximately twelve months. This is based upon interviews with participants active in the market, historical marketing periods and projected demographics.

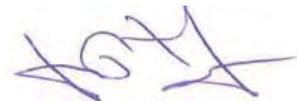
Respectfully submitted,

JOHN C. WAGGONER & ASSOCIATES



John C. Waggoner, MAI SRA

Texas General Appraiser Certification No. TX-1321329-G



Jimmy Pat James, MAI

Texas General Appraiser Certification No. TX-1320515-G

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EXHIBITS

- A - Miscellaneous Plats and Maps of the Subject Property
- B - Subject Property Photographs
- C - Improved Sales
- D - Competitive Rentals
- E - Qualifications of the Appraisers

**JOHN C. WAGGONER & ASSOCIATES
APPRAISAL REPORT**



**Existing Development (and Proposed Renovation)
College Terrace Apartments
300 West University Boulevard
Odessa, Ector County, Texas**

Client/Users: Ms. Cindy Curnutt
Director of Purchasing & Business Services
Odessa College
201 W. University
Spur Building, Room 210
Odessa, Texas 79764

Appraisers: John C. Waggoner, MAI, SRA
Jimmy Pat James, MAI

Date of Report: July 16, 2019

Date of Inspection: June 19, 2019

Effective Dates of Value: June 19, 2019 (“As Is”); September 19, 2019 (“Upon Completion”)

Value Conclusions: **\$765,000 (“As Is”)**
\$1,175,000 (“Upon Completion”)

Intended Use of the Report:

The intended use of the appraisal is to assist the client (Odessa College) in establishing the aforementioned values of the subject property for internal planning purposes. The intended user is also Odessa College.

Property Appraised:

College Terrace Apartments - a circa 1965, 25-unit apartment complex and underlying 0.643 acre located at 300 West University Boulevard, City of Odessa, Ector County, Texas. The property is located at the northwest corner of the intersection formed by West University Boulevard and Robertson Avenue. The date of the "As Is" opinion of value is June 19, 2019. In addition, the appraisers have estimated the Prospective Market Value of the Fee Simple Estate in the subject property under the "Upon Completion" appraisal premise, assuming the completion of the proposed renovations. The effective date of the appraisal under the "Upon Completion" appraisal premise is September 19, 2019, or approximately three months after the "As Is" appraisal date. It is the appraisers' opinion that the project will be operating at a stabilized occupancy upon completion of the proposed renovations.

As of the "As Is" appraisal date, the subject project is 100% vacant (as the result of terminating all previous leases in anticipation of the renovation program). Moreover, the subject apartment project is currently being offered for sale at a reported asking price of \$950,000 (in its "As Is" condition).

Under the prospective "Upon Completion" appraisal premise, this existing 25-unit apartment project is assumed to have been extensively renovated at a projected cost of approximately \$410,000 (or approximately \$16,400 per unit), as later discussed within this Appraisal Report. The project will reportedly be available for pre-leasing during the renovation process, and it is anticipated that, upon completion of the renovations, the project will be operating at a stabilized occupancy. It is noted that the opinion of the Prospective Market Value of the Fee Simple Estate in the subject property "Upon Completion" is based upon the extraordinary assumption that the proposed renovations have been completed. The use of this extraordinary

assumption may have affected the results of this assignment.

This Appraisal Report is a recapitulation of the appraisers' data, analyses and conclusions. Supporting documentation is retained in the work files.

Scope of the Assignment:

In preparing this appraisal, the appraisers have:

- inspected the subject property as well as the subject neighborhood;
- gathered general data including information of social, economic, government and environmental forces that affect property value;
- determined the Highest and Best use of the underlying land and the Highest and Best Use as proposed to be improved of the property that is the subject of this assignment; and
- attempted to the best of the appraisers' ability to confirm pertinent data. The appraisers analyzed this data and applied the Sales Comparison Approach and the Income Capitalization Approach to value. Value indications from these approaches to value were then reconciled into an estimate of the Prospective Market Value of the Fee Simple Estate "Upon Completion" in the property identified within this Appraisal Report. The Market Value of the Fee Simple Estate, "As Is" was determined by deducting the renovation costs and associated lease-up costs from the prospective Market Value estimate, with additional support from a review of comparable sales. The appraisers have not used the Cost Approach to value, as this approach is generally not considered meaningful in appraising a property of this advanced age (constructed in 1965). The omission of the Cost Approach does not limit the reliability of the Appraisal Report, because reasonable market participants would concur that this approach is not applicable to the valuation of the subject property.

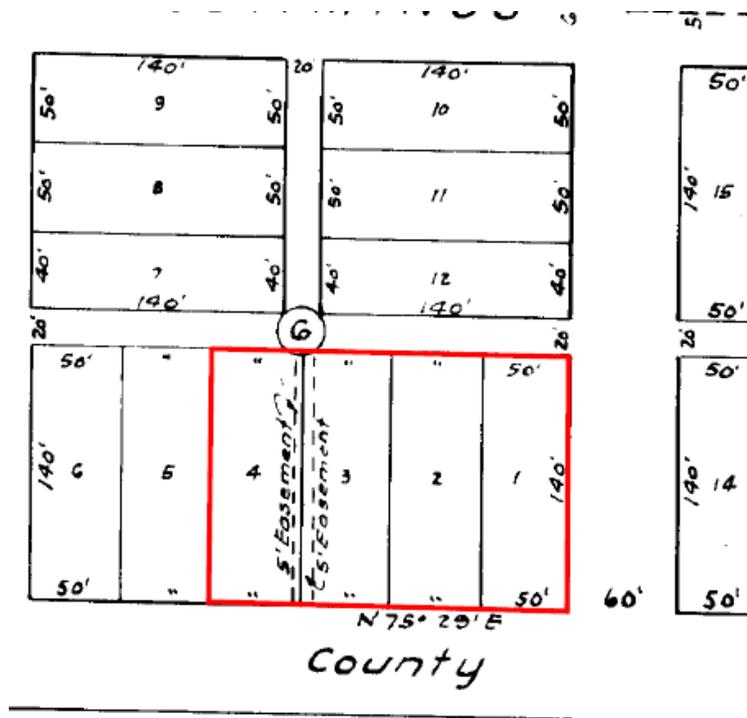
This scope of the assignment is within the guidelines of Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of FIRREA.

Property Rights Appraised:

Fee Simple Estate. Fee Simple Estate is defined in The Dictionary of Real Estate Appraisal, Fifth Edition, Page 78 as: "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

Site:

The subject site is located at the northwest corner of the intersection formed by West University Boulevard and Robertson Avenue, within the City of Odessa, Ector County, Texas. Based upon a search of public records, the subject site is legally identified as being Lots 1 through 4, Block 6, Judkins Subdivision, an addition to the City of Odessa, Ector County, Texas. A copy of the subject property in relation to its recorded survey plat is presented below.



Moreover, the subject site is identified by the Ector County Appraisal District under account numbers R100035940 and R100071397.

As noted, the subject site is situated at the northwest corner of the intersection formed by West University Boulevard and Robertson Avenue, within the City of Odessa, Ector County, Texas. Based upon review of the recorded plat, the subject site has frontages of approximately 200 lineal feet along the north side of West University Avenue and approximately 140 lineal feet along the west side of Robertson Avenue. Moreover, the subject site fronts the south side of a 20-foot-wide dedicated alley for a distance of 200 lineal feet as well. Access is provided via curb cuts along both fronting streets (as well as access from the adjoining alley). The reader is referred to the Addenda of this Appraisal Report for photographs of the subject property.

According to Flood Insurance Rate Map number 48135C0335E, dated March 15, 2012, the subject site appears to be located within Zone "X", indicating areas located outside of a detrimental flood hazard area. A copy of the appropriate floodplain map is included within the Addenda to this Appraisal Report.

A soil analysis was not provided, therefore, no conclusion can be ascertained with regard to the stability of the site; however, based upon visual inspection, no obvious problems were identified.

West University Boulevard, as it fronts the southern boundary line of the subject site, is a 60-foot-wide right-of-way comprises four bidirectional traffic lanes (plus a center turn lane) with a posted speed limit of 30 miles hour. Robertson Avenue, as it fronts the eastern boundary of the subject site, is a 60-foot-wide right-of-way comprises two bidirectional traffic lanes with a posted speed limit of 30 miles hour. The intersection of West University Boulevard and Robertson Avenue is controlled by a traffic signal. Moreover, it is noted that the dedicated alley is a 20-foot-wide alley right-of-way is unpaved.

Complete public utilities; including water, sanitary sewer, natural gas, and electricity, are reportedly available to the subject property in sufficient quantities to serve the subject property to its Highest and Best Use.

As referenced in the Assumptions and Limiting Conditions to this Appraisal Report, the appraisers are not considered an expert nor is competent to assess environmental issues. Upon physical inspection of the subject property, no indication "to the untrained eye" of environmental hazards could be found.

According to the City of Odessa Planning Department, the subject property is zoned "LC", Light Commercial District. The "LC" district allows for a wide variety of commercial, retail, multifamily, lodging and office development. Basic development restrictions of the "LC", Light Commercial District are summarized as follows.

"LC", Light Commercial District Restrictions	
Minimum Front Yard Setback	50 Feet
Minimum Side Yard Setback	None (Five feet if adjoining residential development)
Minimum Rear Yard Setback	None (Ten feet if adjoining residential development)
Minimum Parking Requirement	2 spaces per each dwelling unit
Height Limit	Not to exceed three stories
Maximum Lot Coverage	35%

Reportedly, the existing subject apartment project represents a legally conforming usage (assuming ample parking on the vacant lot adjoining the west side of the existing apartment buildings). A zoning map of the subject property and surrounding area is included within the *Addenda* to this Appraisal Report.

Description of Improvements: The appraised property comprises 0.643 acre of land located at 300 West University Boulevard”, within the City of Odessa, Ector County, Texas. The subject apartment project (College Terrace) was originally constructed in 1965 and comprises two, two-story buildings (comprising 24 units), along with a smaller two-story building (comprising the remaining two-bedroom unit). All units feature exterior access from a central courtyard area. Project amenities are limited to the aforementioned central courtyard area, a leasing office, surface parking and laundry facility. As noted, the subject project is 100% vacant (as the result of terminating all previous leases in anticipation of the renovation program). The unit mix is summarized in the following chart.

College Terrace - Unit Mix			
Unit Type	Number	SF/Unit	Total Square Feet
1 Bedroom – 1 Bath	24	544	13,056
2 Bedroom – 1 Bath	1	1,239	1,239
	25	572 Avg.	14,295

The gross building area (which includes an “out-building” that currently houses several hot water heaters) is calculated to be 14,437 square feet. The following is a summary description of the basic construction components for the subject apartment community and is based on an on-site inspection, as no building plans or specifications were provided the appraisers.

Construction Components

Foundation and Floors	Reinforced concrete foundation with concrete slabs at grade.
Framing	Partial load supported CMU and wood framing.
Exterior Walls	Primarily brick veneer (with partial wood siding).
Roof	The roofs are comprised of flat, built-up roofing systems.

HVAC	Individual roof-mounted Split DX units provide heating and air-conditioning; domestic hot water is provided by individual hot water heaters. There are reportedly three units which share a hot water heater; however, individual units will be installed during the upcoming renovation program.
Security	Minimal (open surface parking lots).
Site Improvements	There are reportedly an adequate number of parking spaces (which inherently includes the 7,000-square-foot unimproved lot which adjoins the west side of the apartment building). The existing landscaping (within the central courtyard area) consists primarily of grass, trees and shrubbery.
Project Amenities	Project amenities are limited to a central courtyard area, a leasing office, surface parking and laundry facility.
<i>Unit Amenities</i>	
Kitchen	Under the prospective “Upon Completion” appraisal premise, each unit will reportedly feature an appliance package including electric range/oven, double-sink with disposal and frost-free refrigerator. Kitchen flooring will be vinyl and/or ceramic tile.
Bathroom	Under the prospective “Upon Completion” appraisal premise, each unit will reportedly feature a wood cabinet with built-in sink, a commode and bathtub (with shower head) with ceramic tile surround. Bathroom flooring will reportedly be vinyl tile.
Living/Dining	Under the prospective “Upon Completion” appraisal premise, each unit will reportedly feature a living/dining area (with carpet flooring). The units will also feature mini-blinds (or vertical blinds).
Bedrooms	Under the prospective “Upon Completion” appraisal premise, each unit will reportedly feature, the bedrooms will typically feature carpeted flooring and mini-blinds (or vertical blinds), as well as a small closet.

W/D Connections	None.
Condition of Improvements	The subject project was constructed in 1965 and features a chronological age of 54 years. Overall, the "As Is" condition of the improvements is rated below average.
Functional Utility	Functional utility is defined as " <i>the ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms</i> ". The overall concept of the subject apartment complex is generally considered to be harmonious and compatible with the area.
Economic Life Analysis	Economic life is defined as " <i>the period over which improvements to real property contribute to property value</i> ". The economic and physical life of a property can differ; however, the physical life is usually longer. The shorter economic life is generally attributed to functional obsolescence. The Marshall Valuation Service is a nationally-recognized cost estimating service which publishes surveys indicating the normal useful life of various types of improvements. These surveys are based upon detailed studies of actual mortality, condition, and typical ages at which major renovation or change in occupancy occur. These life expectancy studies do not include cases of mortality from economic obsolescence or poor business management. The typical life expectancy for the "As Is" subject property is approximately 55 years. The subject's chronological age is approximately 54 years. Based on its current condition and functionality, the subject's "As Is" effective age is 45 years. Therefore, the remaining life of the structure, "As Is", is estimated to be 10 years.
"Upon Completion"	The subject property owner has proposed extensive renovations including: extensive interior refurbishment to all 25 units; plumbing replacement; exterior painting; replacement of windows and exterior doors; and replacement of landscaping. Any deferred maintenance will also be cured. The project will reportedly be available

for pre-leasing during the renovation process, and it is anticipated that, upon completion of the renovations, the project will be operating at a stabilized occupancy. Based upon information provided to the appraisers from a representative of property owner; the proposed renovations (and associated costs) are as follows:

**College Terrace Apartments
Proposed Renovations:**

Item:	Cost:
Replacement of Plumbing	\$80,000
Carpet Replacement	20,400
Exterior Painting	8,000
Sheetrock Repair / Interior Painting	28,200
Complete Appliances Replacement	37,500
Windows Replacement	21,000
Exterior Doors Replacement	10,400
Landscaping Replacement	<u>8,500</u>
Total Renovations	\$214,000

Based upon the property inspection, it is the appraisers' opinion that additional renovations will be required in order for the subject apartment project to achieve (and maintain) a stabilized occupancy level. These renovations include: repair/replacement of an undetermined number of rooftop-mounted Split DX units; asphalt paving of the parking area located to the west of the building; repair/resurfacing of the existing asphalt-paved surface parking areas; repair/replacement of stairwells; and miscellaneous structural repairs. Based upon review of the Marshall Valuation Service (along with actual renovation costs involving other older apartments located throughout Texas), these additional costs are estimated to be approximately \$5,000 per unit (or \$125,000). After consideration of a 20% profit/contingency factor, the anticipated renovation costs associated for College Terrace Apartments are estimated at \$410,000 (rounded), or approximately \$16,400 per unit.

The proposed renovations will decrease the effective age of the improvements to an effective age of approximately 30 years is estimated under the prospective "Upon Completion" appraisal date. The proposed renovations will reportedly be made with adequate considerations for utility and functional factors related to occupancy. Additionally, the proposed quality and quantity of construction materials are in keeping with current market standards.

The subject project also includes non-realty items (furniture, fixtures and equipment - FF&E) in the form of individual unit appliance packages, which include refrigerators, dishwashers and range/ovens. The estimated value of these items under the "Upon Completion" scenario is estimated to be approximately \$1,500 per unit, which is based on a review of the *Marshall Valuation Service* and conversations with local developers. Accordingly, the estimated value of the subject's FF&E "Upon Completion" is \$38,000. The FF&E under the "As Is" scenario is considered to be fully depreciated. As such, the appraisers have utilized a FF&E value of \$0 under the "As Is" scenario.

Photographs of the subject property are included in the *Addenda* to this Appraisal Report.

Tax and Assessment Data:

The appraised property is subject to tax levies by: Ector County; City of Odessa; Ector county Independent School District; Ector County Hospital District; and Odessa College. The subject property is assessed by the Ector County Appraisal District under account numbers R100035940 and R100071397. The following table summarizes the subject's combined assessed value for the 2019 tax year (and 2018 tax rates).

Real Estate Assessment Summary					
Year	Land	Improvements	Total	2018 Tax Rate (Per \$100)	R.E. Taxes
2019	\$58,149	\$1,079,961	\$1,138,110	\$2.46560	\$28,061.24

The subject is assessed at \$45,524 per unit, or \$79.62 per square foot of net rentable area. In order to estimate the subject's "Upon Completion" projected assessment, the assessed values for projects rated similar to the subject project (upon completion of the proposed renovations) were analyzed. Competitive assessment properties include: Marquee West Apartments (circa 1965, assessed at \$57,119 per unit and \$91.19 per square foot of net rentable area); Kona Kai Apartments (circa 1977, assessed at \$53,053 per unit and \$61.73 per square foot of net rentable area); and Westwood Square Apartments (circa 1977, assessed at \$60,098 per unit and \$82.24 per square foot of net rentable area).

Based on this analysis, it is reasonable to assume that the subject's assessment, upon completion of the proposed renovations, will approximate \$55,000 per unit, or \$1,375,000, rounded. Applying a tax rate of \$2.46560 per \$100 of assessed value, the projected annual tax expense is forecasted to be approximately \$33,900, rounded, or \$1,356 per unit, or \$2.37 per square foot of net rentable area.

Ownership/History:

The subject property is reportedly owned by **Steven W. and Renee M. Chambers (dba College Terrace Apartments)**. This entity has owned the subject property for an extended time period (since 1997). As such, no sales of the subject property have transpired within the past three years from the "As Is" Appraisal date. However, it is noted that the subject property has recently been placed on the market for sale at a reported asking price of \$950,000 (on an "As Is" basis). Based upon the estimate of Market Value "As Is" provided within this Appraisal Report, this asking price appears to be generally reflective of prevailing market conditions (assuming a moderate discount for the process of negotiations).

**Odessa Multifamily
Market Overview:**

According to the CoStar's First Quarter 2019 *Odessa Multi-Family Survey*, "Apartment rents in the Odessa metro soared by 7.6% year-over-year as of the first quarter of 2019, and have posted an average annual gain of 13.7% over the past three years. Vacancies in the metro were

below the cycle average as of the first quarter of 2019, but trended upwards over the past four quarters. While 430 units have been delivered over the past three years (a cumulative inventory expansion of 5.3%), nothing is currently underway. Over the past four quarters, about 510 units traded an inventory turnover of roughly 6%. This marks an uptick compared to the five-year average of 3.9%. Employment gains picked up over the past year, as total employment increased by 6.5%, or about 5,050 jobs. Over the past five years, employment has increased by 1.5% annually on average, compared to a 1.8% average increase nationally”. Key economic indicators of the Odessa multifamily market (as of the First Quarter 2019) are summarized below.

KEY INDICATORS

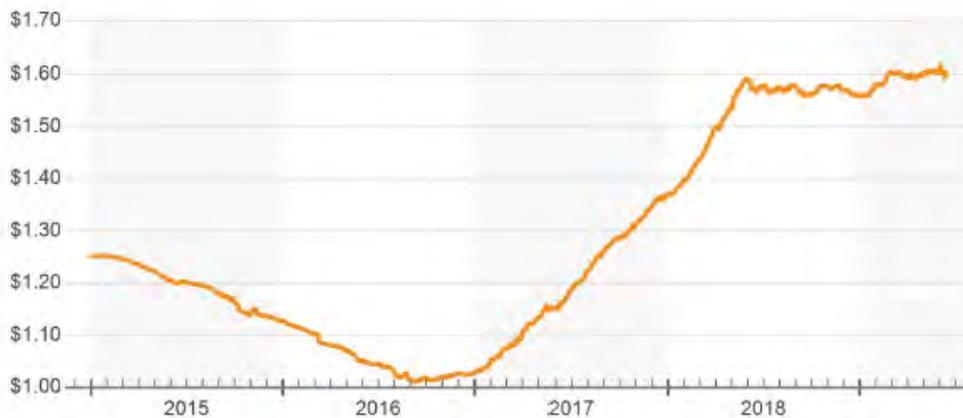
Current Quarter	Units	Vacancy Rate	Asking Rent	Effective Rent	Absorption Units	Delivered Units	Under Constr Units
4 & 5 Star	1,306	9.4%	\$1,852	\$1,834	(15)	0	0
3 Star	4,743	4.6%	\$1,247	\$1,240	4	0	0
1 & 2 Star	2,465	5.4%	\$1,099	\$1,089	1	0	0
Market	8,514	5.6%	\$1,301	\$1,292	(10)	0	0

Annual Trends	12 Month	Historical Average	Forecast Average	Peak	When	Trough	When
Vacancy Change (YOY)	1.5%	6.2%	4.1%	13.0%	2016 Q2	3.7%	2018 Q1
Absorption Units	(130)	80	51	906	2017 Q3	(380)	2015 Q4
Delivered Units	0	91	34	602	2013 Q4	0	2019 Q1
Demolished Units	0	0	1	0	2019 Q1	0	2019 Q1
Asking Rent Growth (YOY)	1.3%	2.9%	1.9%	35.5%	2018 Q1	-12.9%	2016 Q2
Effective Rent Growth (YOY)	0.8%	3.0%	1.8%	38.2%	2018 Q1	-15.1%	2016 Q1
Sales Volume	\$6.5 M	\$19.5M	N/A	\$176.5M	2014 Q4	\$0	2019 Q1

Rent

Odessa Multi-Family

DAILY ASKING RENT PER SF



Based upon the CoStar’s First Quarter 2019 Odessa Multi-Family Survey, the Odessa multifamily market has experienced increasing rental rates and stabilized

occupancy rates over the past several years, with this trend projected to continue over the next several years. As such, the overall Odessa multifamily market is anticipated to remain strong throughout the foreseeable future.

Highest and Best Use

The term "Highest and Best Use" is an economic concept that provides the basis for Market Value analysis. It is essential that the Highest and Best Use conclusions relate to the motivations in the marketplace for the subject property. Highest and Best Use is defined as: *"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value."*

The following tests must be applied in determining the Highest and Best Use of a property: 1) The use must be probable; that is, it must be likely and not based on surmise; 2) The use must be legal; 3) the demand for such use must exist; and 4) the use must provide the highest return to the land and to the property as a whole.

In estimating the Highest and Best Use of both land as if vacant and the property as improved, the following criteria must be met: 1) Physically Possible Use - Analysis of the physically possible uses for the subject site; 2) Legally Permissible Use - Determination of such uses that are legally permitted for the subject site; 3) Financially Feasible Use - Determination of a physically possible and legally permissible use that would provide a positive return to the subject site; and 4) Maximally Productive Use - Determination of which financially feasible use would provide the highest return to the subject site.

The Highest and Best Use of the land as if vacant is not always the Highest and Best Use of the property as improved. The existing use will continue, however, until the land value in its Highest and Best Use as vacant exceeds the value of the existing use and the cost of its removal. Therefore, the Highest and Best Use analysis considers the property under two primary scenarios: 1) the Highest and Best Use of the land as if vacant, and 2)

Highest and Best Use of the property as proposed to be improved. These two scenarios are correlated into one final estimate of Highest and Best Use. This final estimate will govern the valuation of the subject property.

As if Vacant:

The first stage of the Highest and Best Use analysis assumes the land is vacant. The four criteria in determining the Highest and Best Use of vacant land are discussed separately.

Size, shape, area, topography, soil composition, and availability of utilities affect uses to which land can be developed. Physically, the site is suitable for development. The subject parcel's size accommodates several smaller-scale improvement types and its shape is conducive to development. The parcel is level and located outside of a detrimental flood hazard area. Complete public utilities are available to the subject site. There are no known factors which should prevent the subject site from development to its Highest and Best Use as if vacant. Based on this analysis, the subject site is considered functionally adequate for residential or commercial usage.

The appraised property is zoned "LC", Light Commercial District. The "LC" district allows for a wide variety of commercial, retail, multifamily, lodging and office development. Based upon the physically possible and legally permissible uses, the Highest and Best Use of the subject land parcel is for commercial or multifamily development.

The third factor that must be determined is what are the feasible uses of the subject site. In summary, the subject neighborhood is considered to be an established, mixed-use section of north-central Odessa that is generally bounded by: West University Boulevard to the north; Kermit Highway to the south; Andrews Highway to the east; and North Golder Avenue to the west. This defined area comprises approximately 1½ square miles and is mixed-use in nature; however the predominate land usage is the campus of Odessa College. The subject neighborhood is approximately 90% developed as of the "As is" appraisal

date and is in the stability stage of its neighborhood life cycle. It is anticipated to remain in this stability stage throughout the foreseeable future.

In the final analysis, a determination must be made as to which feasible use is the Highest and Best Use. The physical characteristics of the subject property do not restrict commercial development. Additionally, based on the location of the subject property, it can reasonably be concluded that the most likely development of the parcel would be for multifamily development. Multifamily rental rates have increased over the past several years (as a direct result of strong petroleum-based economy currently driving the Odessa market). Therefore, at this time, the most feasible development of the subject site is considered to be a multifamily project oriented toward student housing for Odessa College.

As Proposed to be Improved:

The Highest and Best Use of a property as improved determines the capital expenditure, if any, that is required to convert, rehabilitate, or remodel the present property to its maximally productive use. In summary, the appraised property comprises 0.643 acre of land located at 300 West University Boulevard”, within the City of Odessa, Ector County, Texas. The subject apartment project (College Terrace) was originally constructed in 1965 and comprises two, two-story buildings (comprising 24 units), along with a smaller two-story building (comprising the remaining two-bedroom). All units feature exterior access from a central courtyard area. Project amenities are limited to the aforementioned central courtyard area, a leasing office, surface parking and laundry facility. As noted, the subject project is 100% vacant (as the result of terminating all previous leases in anticipation of the renovation program).

The subject owner has proposed extensive renovations including: extensive interior refurbishment to all 25 units; plumbing replacement; exterior painting; replacement of windows and exterior doors; and replacement of landscaping. Any deferred maintenance will also be cured. The project will reportedly be available for pre-leasing during the renovation process, and it is anticipated that,

upon completion of the renovations, the project will be operating at a stabilized occupancy. After consideration of a 20% profit/contingency factor, the anticipated renovation costs associated for College Terrace Apartments are estimated at \$260,000 (rounded), or approximately \$10,400 per unit. The proposed renovations will decrease the effective age of the improvements to an effective age of approximately 30 years is estimated under the prospective "Upon Completion" appraisal date. The proposed renovations will reportedly be made with adequate considerations for utility and functional factors related to occupancy. Additionally, the proposed quality and quantity of construction materials are in keeping with current market standards.

Based on an analysis of the proposed subject improvements, their conformity with the area, and the potential of the improvements to generate a positive return, no alternative legal use would justify a change in design of the proposed improvements. Therefore, the Highest and Best Use of the property as proposed to be improved is to complete the planned renovations for continued operation of the College Terrace Apartments multi-family project.

Competency:

John C. Waggoner, MAI SRA and Jimmy Pat James, MAI have valued numerous multifamily projects within West Texas and across the United States over the past 25 years. In addition, the appraisers have valued a large number of sophisticated income producing properties in Texas such as retail centers and office buildings. The appraisers are both State Certified General Real Estate Appraisers in the State of Texas and each holds the MAI designation through the Appraisal Institute. Accordingly, the appraisers have the professional competency required to appraise the subject property.

MARKET ANALYSIS

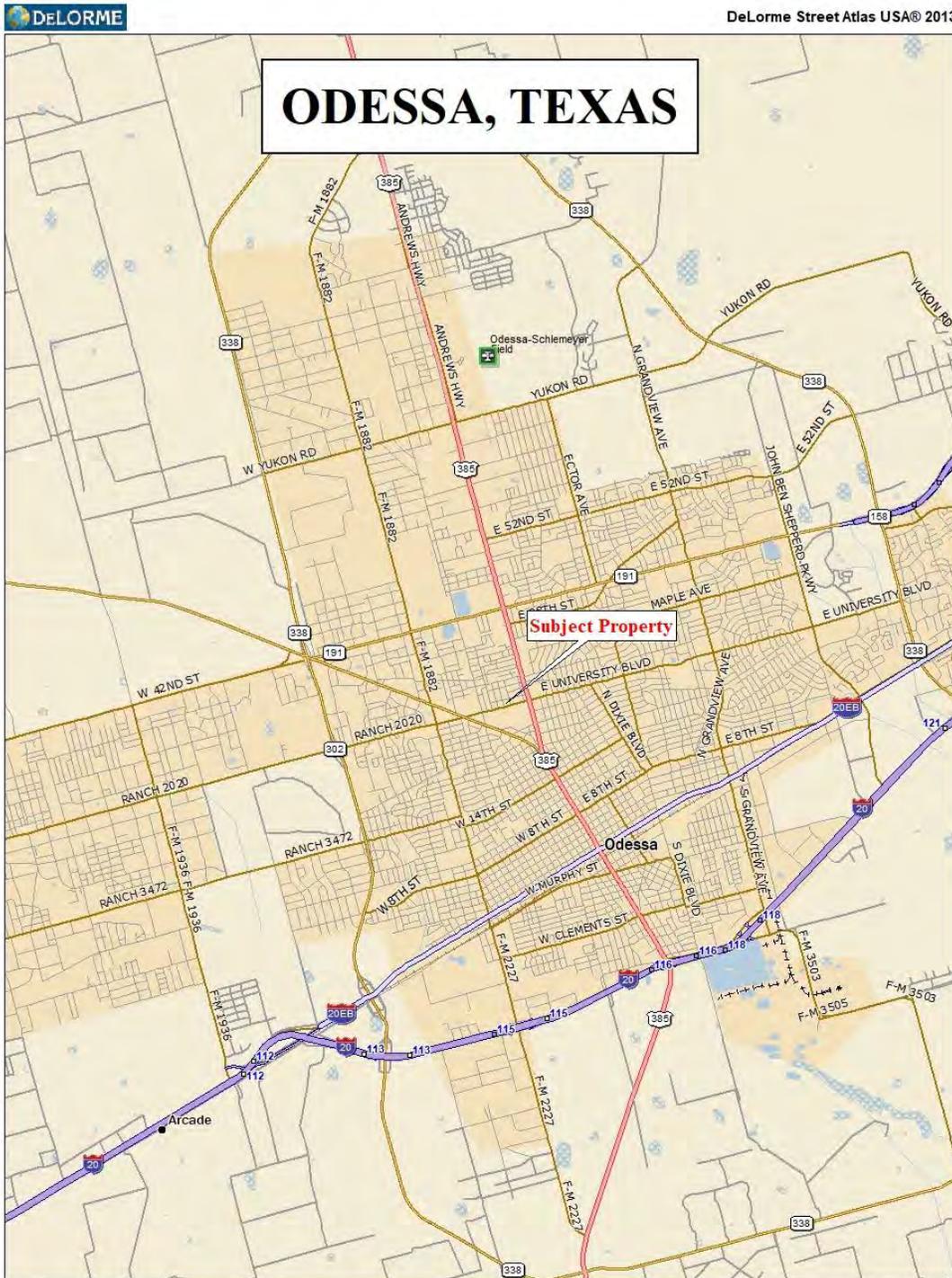
The value of real property reflects and is influenced by the interaction of four basic forces that motivate human activity. These forces are divided into four major categories: environmental considerations, governmental controls and regulations, social forces, and economic conditions.

Environmental Considerations

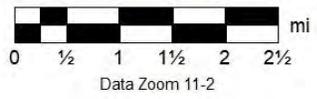
Environmental conditions that influence property value include geographic location, climate, topography and soils, and transportation facilities.

The subject property is located along West University Avenue and immediately north of the Odessa College campus in north-central Odessa. As such, the ensuing regional analysis will focus upon Odessa and Ector County. The City of Odessa is situated within southwest Texas, in the heart of the Permian Basin. Odessa is located along Interstate Highway 20, approximately 360 miles east of El Paso and 286 miles west of Dallas. Odessa, the primary municipality within the Odessa Metropolitan Statistical Area (MSA), which is solely comprised of Ector County. To the east of Odessa is its "sister city", Midland, which is the primary municipality within the Midland Metropolitan Statistical Area (MSA), which is solely comprised of Midland County. The City of Odessa serves as the county seat of Ector County.

A map depicting the location of the subject property within the City of Odessa is presented on the following page.



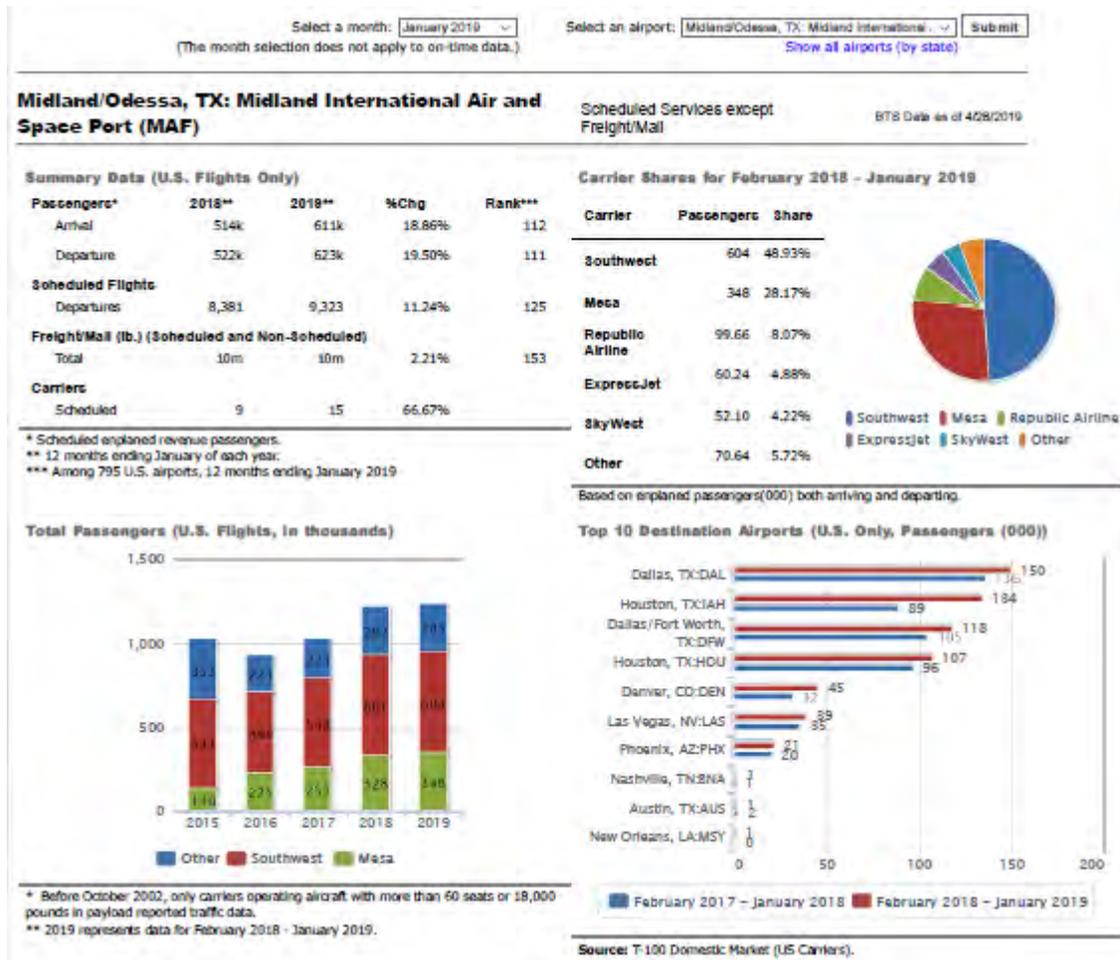
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www.delorme.com



An important attribute of the economic growth of the City of Odessa is its relatively mild and semi-arid climate. Although temperatures can exceed 100F in the summer months and drop below freezing in the winter months, the average daily mean temperature is approximately 63.0F. Odessa receives precipitation of only 14.96 inches annually, of which less than two inches comprise snow and ice accumulation. Odessa property owners enjoy relatively low utility costs in comparison to other areas with more extreme temperatures.

The general topography of the Odessa area is level to gently rolling. Ector County elevations range from approximately 2,500 to 3,200 feet above sea level. Drainage throughout the county is facilitated by the Monahans Draw. Ector County is situated on the southern extension of the South Plains, where the: 1) High Plains, 2) Trans Pecos Plateau, and 3) Edwards Plateau all intersect. All three of these regions are typified by short native grasses and sparse tree growth.

Odessa is an established major transportation center for western Texas, eastern New Mexico, and the southwestern United States. Midland International Airport is located directly between the Cities of Midland and Odessa and is approximately twelve miles east of the subject property. The City of Midland owns and operates this airport. In September 2014, it became the first United States facility licensed by the Federal Aviation Administration to serve both scheduled airline flights and commercial human spaceflight. The following page summarizes the most recent statistics associated with Midland International Air and Space Port.



Other air transportation in Odessa is provided by one Ector County private airport, Schlemeyer Field. Schlemeyer Field is located in northern Ector County and is Odessa's oldest municipal airport. Schlemeyer acts as Odessa's business reliever airport and is not served by commercial airlines. The airport is equipped with hangar space to accommodate overnight storage and offers use of an auxiliary power unit. All the conveniences, such as pilots' lounge, courtesy cars, and rental cars at special airport rates are available.

Rail service in the area is provided by Union Pacific Railroad and offers piggyback service and 24 hour switching service. Operating seven days per week, Union Pacific provides reliable access to all major US markets. Additionally, several common carrier trucking lines (including ABF, Central, Central Oklahoma Freight Lines, Tex-Pack, Roadway, SAIA Motor Freight, USF Bestway, American Freightway and Yellow Freight) offer freight service to the area. Bus service is provided by three carriers: 1) Greyhound/Trailways, 2) Texas, New Mexico &

Oklahoma (TNM&O), and 3) Concho Coaches. Intra-city bus service is available in Odessa (EZ Rider).

Midland-Odessa is served by numerous highways, including Interstate Highway 20, U.S. Highways 80 and 385, and State Highways 302 and 191. Additionally, Odessa and Midland are currently working together in an effort to route an extension of Interstate Highway 27 between the two cities. This proposed extension will travel from the current Interstate Highway 27 southern terminus (in Lubbock) to Interstate Highway 10 in southwest Texas.

Governmental controls influencing property values include zoning ordinances, building codes, and police and fire protection. The City of City of Odessa has a comprehensive zoning plan and building code which provides specific guidelines for development of all types of properties. Odessa features a council-city manager form of government.

Police and fire protection are available to all areas of Odessa and Ector County and are paid by the respective city and county revenues. The City of Odessa employs 230 and 170 police and fire personnel, respectively. The city's protection provided by these services is relatively typical of larger municipalities throughout the Permian Basin. Environmental protection is provided by the state and federal regulatory agencies.

Neither the State of Texas nor the City of Odessa has a personal income tax. However, the state does assess a 6.25% sales tax; the City of Odessa assesses a 1.0% sales tax; the Ector County Hospital District assesses a 0.75% sales tax; and 0.25% is dedicated toward an economic development sales tax. The result is a total 8.25% retail sales tax in Odessa.

Public utilities serving the City of Odessa include electricity, water, sewer, natural gas, and telephone service. Electricity is supplied and distributed by Oncor. Water service is provided by the Colorado River Municipal Water District (via the City of Midland). The maximum daily treatment capacity is 65 million gallons per day, while the maximum use to date is 55 million gallons per day. The City of Odessa features an activated sludge sewer treatment plant, with a maximum capacity of approximately 12.7 million gallons per day. Energas Gas Company supplies and distributes natural gas, and AT&T and several other telecommunications companies supply local telephone service.

The primary social trends that directly influence real estate values are related to population. Historical population statistics for the counties and primary cities of the Odessa MSA and the Midland MSA are summarized in the table located on the following page.

Odessa / Midland MSA Population Characteristics					
	1980	1990	2000	2010	2017
City of Midland	70,525	89,443	94,996	111,147	136,089
Midland County	82,311	112,500	116,009	136,872	165,049
City of Odessa	90,027	89,699	90,943	99,940	116,861
Ector County	115,374	118,934	121,123	137,310	157,087
Combined Odessa / Midland MSA	197,685	231,434	237,132	274,182	322,136

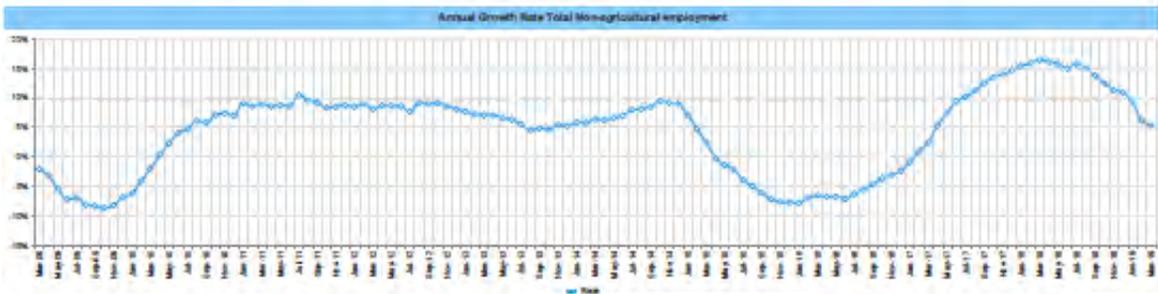
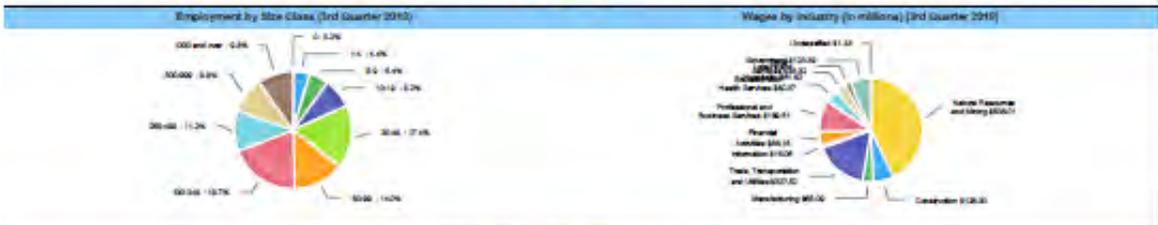
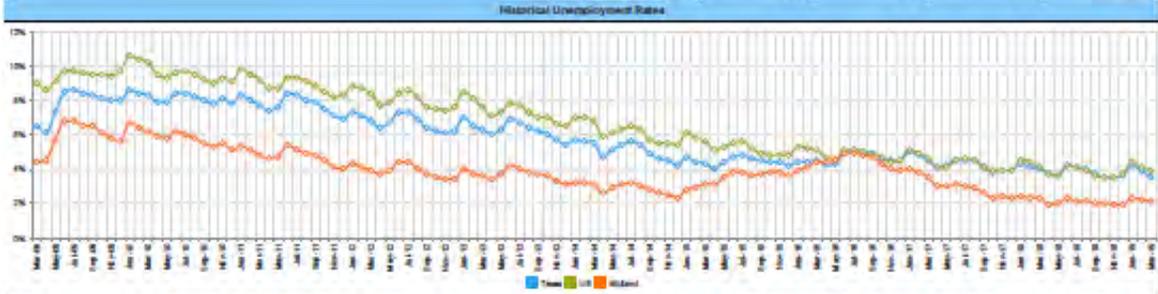
The preceding population figures reveal that from 1980 to 1990, the annual compound growth rate for the combined Odessa / Midland MSA was 1.59%. Moreover, the annual compound growth rate for the Odessa / Midland MSA was 0.24% from 1990 to 2000. The combined MSA experienced tremendous growth in the early 1980s (which coincided with record-setting crude oil prices), only to record a modest decline in population during the latter part of the decade (with the collapse of the petroleum market). According to the United States Census, the City of Midland experienced a net increase of approximately 16,151 persons, or 17.0% from 2000 to 2010. The 2017 population for the combined Midland and Odessa MSAs was reported to be 322,136. A slower, but consistent growth rate is projected for the combined MSA into the foreseeable future.

Diversification supports strong resistance to sharp economic recessions and allows quick responsiveness in periods of expansion. Odessa's overall dependence upon the petroleum industry is considered the area's most significant economic liability. Over 20% of the United States' proven and accessible oil reserves, and over 15% of the natural gas reserves, are located within the Permian Basin.

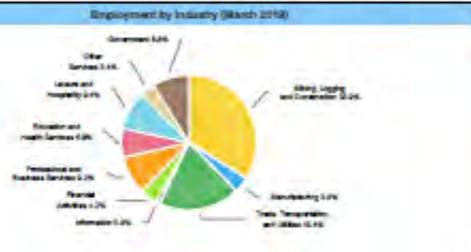
The employed civilian labor force has significantly increased within Ector County over the past several years. The Ector County area currently (as of March 2019) features an unemployment rate of approximately 2.5%. This represents a moderate decrease from the March 2018 unemployment rate of 2.9%. In comparison, the State of Texas featured a March 2019 unemployment rate of 3.5%. The statistics located on the following page profile the Odessa area's nonagricultural labor force as of March 2019.



Midland MSA		March 2019			
		MSA Labor Force Statistics			
		Mar-19	Feb-19	Mar-18	Yearly Change
Civilian Labor Force		107,250	107,549	102,335	4,925
Employed		105,027	105,139	100,907	5,020
Unemployed		2,223	2,410	2,118	-86
Unemployment Rate		2.1%	2.2%	2.1%	-0.2%
		Tri-County Labor Force Statistics			
		Mar-19	Feb-19	Mar-18	Yearly Change
Civilian Labor Force		14,059,923	14,036,922	13,916,874	248,079
Employed		13,594,857	13,537,963	13,262,560	302,395
Unemployed		464,866	498,959	554,982	-61,380
Unemployment Rate		3.3%	3.5%	4.0%	-0.5%
		US Labor Force Statistics			
		Mar-19	Feb-19	Mar-18	Yearly Change
Civilian Labor Force		162,225,909	162,793,909	161,548,909	1,276,900
Employed		158,441,000	158,107,000	154,677,000	1,564,000
Unemployed		6,380,900	6,625,900	6,871,900	-349,000
Unemployment Rate		3.9%	4.1%	4.1%	-0.2%



Employment by Industry (March 2019)			
Industry	Current Month Employment	% Monthly Change	% Yearly Change
Total Northern	110,200	0.3%	5.3%
Mining, Logging and Construction	37,400	0.3%	7.3%
Manufacturing	4,200	0.0%	63.5%
Trade, Transportation, and Utilities	21,400	-1.4%	5.8%
Information	1,000	0.0%	11.1%
Financial Activities	4,800	0.0%	-8.2%
Professional and Business Services	10,100	1.0%	4.1%
Education and Health Services	7,800	1.3%	8.1%
Leisure and Hospitality	10,400	2.0%	5.1%
Other Services	3,900	0.8%	-0.6%
Government	9,700	0.0%	-1.0%



Historically, Odessa's fortunes have followed those of the oil and gas industry. For example, between 1973 and 1981, the price of oil rose well over 1,000 percent. Correspondingly, in 1976 alone, the total real output from all sectors in Ector County rose an unprecedented 17.5 percent. Employment rose 88.8 percent in the Odessa/Midland MSA between 1972 and 1982. Meanwhile, the US economy was at a low ebb, experiencing three relatively severe recessions. The downside of Odessa's good fortune was that virtually no diversification occurred. When excess oil production produced a glut on the world market in 1982, Ector County saw losses in real gross product of more than 11 percent in a single year.

Since the collapse of the petroleum market in mid-1982, the City of Odessa, as well as the Permian Basin as a whole, has strived to diversify its economic base. Diversification from dependence on the petroleum industry would maintain economic stability during periods of drastic impacts on prices of oil futures. Odessa's diversification efforts have been moderately successful, as depicted on the table located below.

Odessa, Texas **2018 Community Profile**
<http://www.odessatex.com>

Major Area Employers

Employer	Industry	Number of Employees	Union Affiliation
Ector County ISD	Education	3,413	
Medical Center Hospital	Medical	1,899	
Saulsbury Companies	Electric & Construction	1,628	
Halliburton Services	Oil & Gas	1,200	
Weatherford CPS	Oil & Gas	1,100	
WalMart Supercenter (2 Locations)	Retail	889	
City of Odessa	Government	868	
Odessa Regional Medical Center Hospital	Medical	816	
Ector County	Government	639	
Holloman Construction	Oil Field Construction	550	
Dixie Electric	Electric	550	
Nurses Unlimited	Medical	527	
Investment Corporation of America	Financial	508	
Texas Tech Health Sciences Center	Medical/Educational	502	
Bobby Cox Companies, Inc.	Retail/Restaurants	488	
Odessa College	Education	440	
University of Texas of the Permian Basin	Education	400	
Family Dollar	Distribution Center	330	
Southwest Convenience Stores	Service	310	
Albertson's (3 Locations)	Grocery	309	
H.E.B.	Grocery	300	
Sewell Family of Dealerships	Automotive	280	
Cudd Energy	Oil and Gas	280	
REXtac, LLC	Polymer Manufacturer	258	
Lithia Motors	Automotive	256	
NOV Tuboscope	Service	229	
URS Flint Energy Service Co.	Construction	225	
Lowe's Market Place	Retail Grocery	203	
Lowe's Home Improvement	Retail	200	
Permian Enterprises	Oil & Gas	185	
Jones Brothers Dirt & Paving	Construction	177	
Sam's Wholesale	Retail	165	
Odessa Family YMCA	Service	161	
Power Line Services	Electric	160	
Express Energy Services	Oil & Gas	150	

Conclusion

In summary, the interaction of the environmental, governmental, social, and economic forces has contributed to the diversification of the economic base of Odessa. The economy of this area should closely mirror those of domestic crude oil market throughout the foreseeable future.

NEIGHBORHOOD ANALYSIS

A neighborhood is defined as "*a group of complementary land uses.*" Neighborhood data and analysis are provided to objectively measure the impact of social, governmental, economic and environmental forces influencing values in the subject neighborhood and, in turn, the value of the subject property. A neighborhood may be an urban or suburban development, which may include residential, commercial, industrial or other land uses that are generally characterized as homogeneous in some respects and include a unified area with some definite boundaries. The neighborhood boundaries are identified by determining the area in which the four forces which affect value (social, governmental, economic, and environmental) operate in the same way they affect the subject property.

The subject is located at the northwest corner of the intersection formed by West University Boulevard and Robertson Avenue, within the north-central portion of Odessa, Ector County, Texas. For purposes of this appraisal, the subject neighborhood is generally considered to be a mixed-use section of north-central Odessa that is generally bounded by: West University Boulevard to the north; Kermit Highway to the south; Andrews Highway to the east; and North Golder Avenue to the west. This defined area comprises approximately 1½ square miles and is mixed-use in nature; however the predominate land usage is the campus of Odessa College. The subject property is located within the northeastern portion of the defined neighborhood. A map to aid the reader in visualizing the subject neighborhood is included on the following page.



As noted, the subject neighborhood represents an established mixed-use section of north-central Odessa that features good access to all parts of the city. West University Boulevard represents the northern boundary of this defined area. West University Boulevard is a major east/west thoroughfare that essentially bisects the City of Odessa. This arterial generally extends from East Loop 338 in a westerly direction throughout the City of Odessa (and continues into unincorporated Ector County and is known as FM Road 2020). As later noted, West University Boulevard generally forms the northern boundary of the Odessa College campus as well. Kermit Highway generally forms the southern boundary to the subject neighborhood. Kermit Highway represents a major northwest/southeast arterial of western Odessa. Within the subject neighborhood, Kermit Highway typically features four bi-directional lanes (plus a center turn lane) and a posted speed limit of 45 miles per hour.

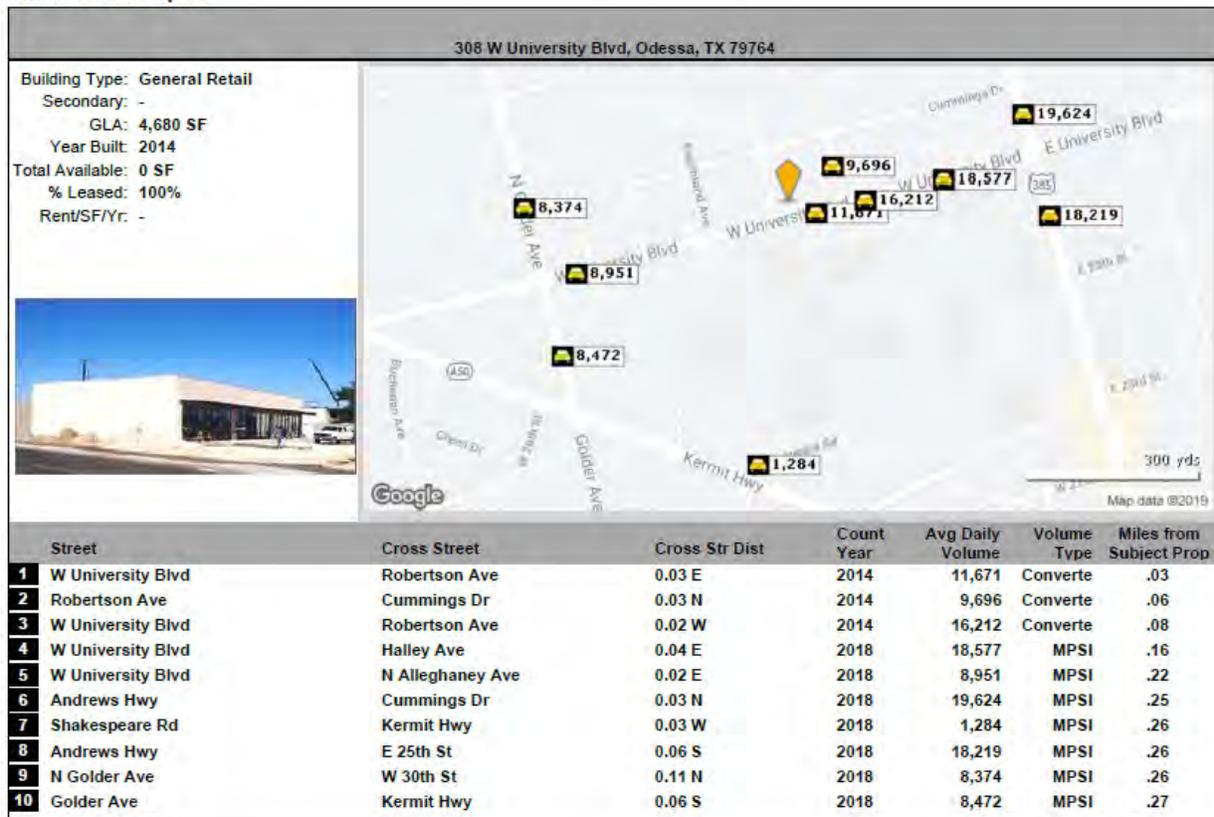
Andrews Highway forms the eastern boundary to the subject neighborhood. North Grant Avenue / Andrews Highway (U.S. Highway 385) is the primary north/south thoroughfare serving

central Odessa. Within the City of Odessa, this thoroughfare is known as Grant Avenue from the southern jurisdictional limits to its intersection with Kermit Highway (in north-central Odessa). To the north of this point, this arterial is known as Andrews Highway. It is important to note that this primary north/south thoroughfare essentially bisects the Odessa Central Business District in a north/south orientation. Within the subject neighborhood, North Grant Avenue / Andrews Highway typically comprises four traffic lanes (plus a center turn lane) and a posted speed limit of 35 miles per hour.

North Golder Avenue forms the western boundary to the subject neighborhood. North Golder Avenue generally extends from West 2nd Street (U.S. Highway 80) in a northerly direction throughout the City of Odessa. Within the subject neighborhood, North Golder Avenue typically comprises four traffic lanes (plus a center turn lane) and a posted speed limit of 35 miles per hour.

Select traffic counts within the subject neighborhood as displayed below.

Traffic Count Report



As of the “As Is” appraisal date, the subject neighborhood is approximately 90% developed and is mixed-use in nature. However, the predominate land usage within the subject neighborhood is the Odessa College campus. This campus occupies well over 90% of the subject neighborhood. Odessa College is a public junior college which primarily serves residents of Ector County and the Permian Basin. It was established in 1946 and currently enrolls approximately 5,000 students annually in its university-parallel and occupational/technical courses; as well as approximately 11,000 students annually in its Basic Education, Continuing Education, and Community Recreation courses. Of particular importance to the subject apartment project, on-campus student housing currently comprises only two projects: Century Commons and Wrangler Hall. Century Commons is an on-campus facility with space for over 200 students and provides an apartment-style living arrangement with private bedroom space for each occupant. Wrangler Hall is a suite style on-campus facility providing space to 26 male students. This space is normally reserved for the rodeo athletes. Moreover, there are reportedly no immediate plans for Odessa College to add more on-campus student housing. As such, student demand for off-campus housing in the vicinity of Odessa College is anticipated to remain strong.

In addition to Odessa College’s campus, the university owns several properties along the north side of West University Boulevard as well. These projects include: Gregory D. Williams Hall for Continuing Education (located directly across Robertson Avenue from the subject property); and the Odessa College Cosmetology Building. Other uses located along West University Boulevard within the subject neighborhood include: the subject College Terrace Apartments; Bush’s Chicken; several older commercial buildings (occupants include Absolute Window Tinting, XTreme Sounds and Alfredo’s Paeteria); a newer three-tenant retail building (occupied by La Toreada, Wyne Brew 22 and Cream Wear); Plaza Mexico (Mi Tierra Meat Market); Dairy Queen; and Hiller Printing.

Land uses located Andrews Highway within the subject neighborhood include: Lowe’s Supermarket; Hacienda Viejo restaurant; America’s Wholesale Furniture; Furniture Land; Industrial & Oilfield Supplies; Firestone; Thrift World Discount Furniture; Ajuua’s restaurant; Barn Door Steakhouse; Pizza Hut; J&J Steel; Family Dollar; Catholic Charities; CVS/pharmacy; Chick-Fil-A; and DK convenience store / fuel station.

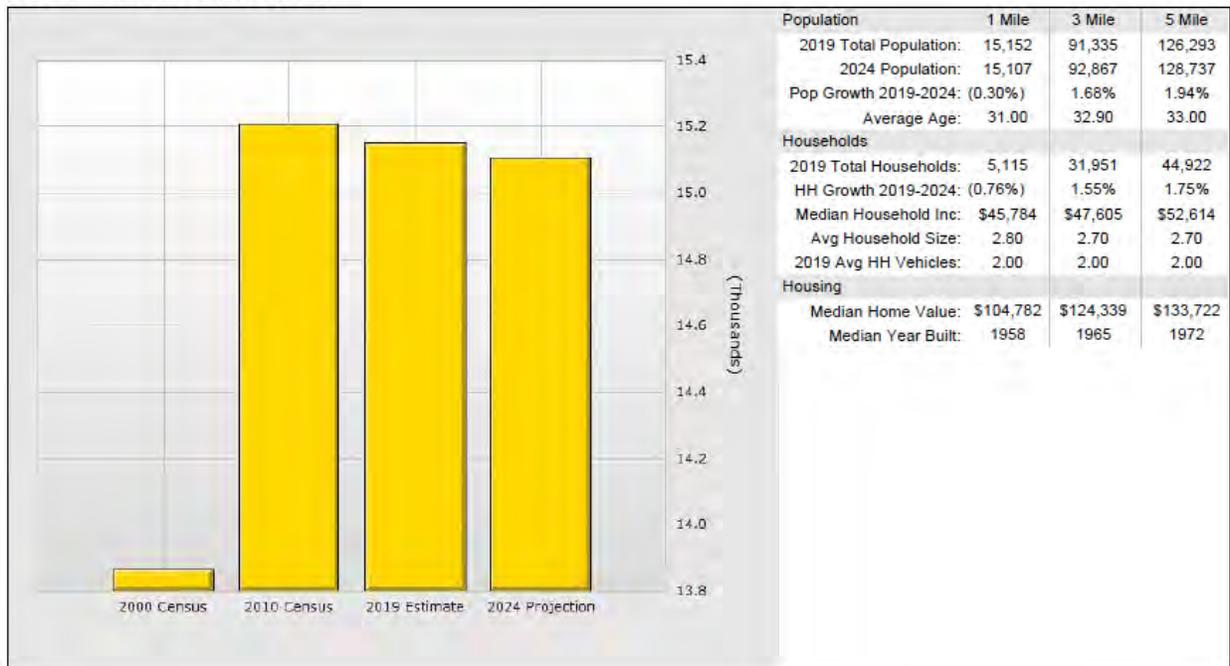
Land uses along Kermit Highway within the vicinity of the subject neighborhood include: Colonial Self Storage; Fun ash Coin Laundry; ABC Alignment; EDCO; Johnstone Supply; Johnny’s BBQ; Basin Nights; Gasket Service, Inc.; Barnes Sign Company; Permian Printing; King of Beds; and Cain Electrical Supply.

The subject neighborhood, combined with the surrounding area, has a balanced land use pattern. The neighborhood reflects typical planning and zoning criteria within the City of Odessa. The terrain typically lends itself to most types of development due to the lack of dramatic topography. Streets and thoroughfares, as well as utilities, are adequate and open spaces are in balance. Additionally, the improvements within the neighborhood appear to conform to the existing ordinances and appear homogeneous. Overall, the subject is approximately 90% developed as of the “As Is” appraisal date and is in the stability stage of its neighborhood life cycle.

Pertinent demographics, presented in one-mile, three-mile and five-mile demographic rings for the subject property, as obtained from COSTAR, is presented below. An aerial photograph depicting the subject property is included on the following page.

Population for 1 Mile Radius

308 W University Blvd, Odessa, TX 79764





In summary, the subject neighborhood is considered to be an established, mixed-use section of north-central Odessa that is generally bounded by: West University Boulevard to the north; Kermit Highway to the south; Andrews Highway to the east; and North Golder Avenue to the west. This defined area comprises approximately 1½ square miles and is mixed-use in nature; however the predominate land usage is the campus of Odessa College. The subject neighborhood is approximately 90% developed as of the “As is” appraisal date and is in the stability stage of its neighborhood life cycle. It is anticipated to remain in this stability stage throughout the foreseeable future.

VALUATION PROCESS

In earlier sections of this Appraisal Report, the valuation problem and property characteristics were defined. Information regarding the interaction of four basic forces that motivate human activity (environmental conditions, governmental controls and regulations, social forces, and economic conditions) and how they affect the overall Odessa multi-family market as well as the subject property were analyzed. Additionally, the Highest and Best Use of the subject property was established.

The three traditional approaches to value are: 1) the Cost Approach; 2) the Sales Comparison Approach; and 3) the Income Capitalization Approach. Value indications from these three approaches will then be correlated into a final indication of value.

The Cost Approach to Value is based on the principle of substitution. This approach is based in the understanding that market participants relate value to cost. In the cost approach, the value of a property is derived by adding the estimate of land value to the current cost of constructing a reproduction or replacement for the improvements and then subtracting the amount of depreciation (i.e., deterioration and obsolescence) in the structures from all causes. Entrepreneurial profit and/or incentive may be included in the value indication. This approach is particularly useful in valuing new, or nearly new improvements that are not frequently exchanged in the market.

The Sales Comparison Approach is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a comparable substitute property. Under this approach, the appraiser produces a value indication by comparing the subject property with similar properties called comparable sales. The sale prices of the properties that are judged to be most comparable differences between the comparable sales and the subject property are adjusted to the subject, based on market evidence. The adjusted sale prices tend to indicate a range in which the value for the subject property will fall; the adjusted sales prices are correlated into an indication of value.

The Income Capitalization Approach is based on the principle of anticipation, whereby value is determined by the present worth of future benefits over a specified period of time. In this approach, an estimate of potential income for the subject property is first projected. From this amount, deductions are made for typically-incurred costs involved with ownership of the property, resulting in a net operating income estimate. An appropriate capitalization rate is then applied to the net operating income to arrive at an indication of value.

As noted earlier, the appraisers have not used the Cost Approach to value, as this approach is generally not considered meaningful in appraising a property of this advanced age (originally constructed in 1965). The omission of the Cost Approach does not limit the reliability of the appraisal report, because reasonable market participants would concur that this approach is not applicable to the valuation of the subject property. The appraisers believe that the Sales Comparison and Income Capitalization Approaches used herein are of primary relevance to the valuation of this property.

The following Sales Comparison Approach and Income Capitalization Approach are utilized to value the Prospective Market Value of the subject property "Upon Completion", assuming completion of the proposed renovations and stabilized occupancy. From this concluded value estimate, the estimated renovation costs (and associated profit/contingency of 20%) will be deducted in order to arrive at the subject's "As Is" Market Value estimate.

Sales Comparison Approach

The Sales Comparison Approach is defined on page 175 of The Dictionary of Real Estate Appraisal, Fifth Edition defined as *"The process of deriving a value indication for the subject property by comparing market information for similar properties with the property being appraised, identifying appropriate units of comparison, and making qualitative comparisons with or quantitative adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison."*

The Sales Comparison Approach is based on the assumption that a prudent buyer would not pay more for a property than it would cost to acquire a substitute comparable property. The reliability of this approach is dependent on the degree of comparability of each sale with the appraised property. The negotiated transaction price usually results from an extensive investigation in which available alternatives are compared, and the property acquired represents the best available to meet the buyer's specifications at a given price. Therefore, carefully analyzed market data provides a good indication of value for the subject property in light of today's buyers and sellers of apartment projects in the Permian Basin.

Unit of Comparison

The unit of comparison analyzed to accurately estimate the Prospective Market Value of the Fee Simple Estate in the subject property "Upon Completion" within the Sales Comparison Approach is the sale price per unit. Moreover, the EGIM (Effective Gross Income Multiplier) method has been utilized as support for the sale price per unit analysis.

Scope of Investigation

An investigation was conducted to obtain data regarding sales of comparable apartment projects in the local market. This investigation included four sales of apartment projects featuring a relatively high degree of comparability. These transactions are described in detail within the Addenda to this Appraisal Report. These transactions are summarized on the following page.

**College Terrace Apartments
Odessa, Ector County, Texas
Improved Sales Summary**

	Subject Property	Sale 1	Sale 2	Sale 3	Sale 4
Project Name	College Terrace Apartments	La Fonda Apartments	Tanglewood North Apartments	Marvin Gardens Apartments	Idlewood Terrace Apartments
Location	Odessa, Texas	Midland, Texas	Odessa, Texas	Odessa, Texas	Odessa, Texas
Sale Date	N/A	07-Jan-19	19-Oct-18	26-Mar-18	03-Mar-17
<i>Physical Data</i>					
Year Built	1965	1966	1982	1981	1965
No. of Units	25	38	17	52	42
Net Rentable Area (SF)	14,295	29,850	14,008	55,700	46,138
Average Unit Size (SF)	572	786	824	1,071	1,099
Land Size (AC)	0.643	0.772	0.429	1.823	2.471
Density	38.88	49.22	39.63	28.52	17.00
<i>Sale Indicators</i>					
Sale Price	N/A	\$2,700,000	\$935,000	\$3,500,000	\$1,550,000
Sale Price (\$/SF)	N/A	\$90.45	\$66.75	\$62.84	\$33.59
Sale Price (\$/Unit)	N/A	\$71,053	\$55,000	\$67,308	\$36,905
GIM	N/A	6.61	5.28	5.16	3.25
EGIM	N/A	7.34	5.86	5.74	3.61
OAR	N/A	8.26%	9.56%	9.71%	12.05%
Operating Expense Ratio	N/A	39%	44%	44%	56%

The appraised property is a 25-unit apartment project that was constructed in 1965 and reflects a density of 38.88 units per acre. The subject property's owner has proposed the completion of extensive renovations including: extensive interior refurbishment to all 25 units; plumbing replacement; exterior painting; replacement of windows and exterior doors; and replacement of landscaping. Any deferred maintenance will also be cured. The project will reportedly be available for pre-leasing during the renovation process, and it is anticipated that, upon completion of the renovations, the project will be operating at a stabilized occupancy. After consideration of profit/contingency, the budgeted renovations are \$260,000 (or approximately \$10,400 per unit).

Property Rights Conveyed

Property rights consist of both the physical real estate and the rights involved in ownership of the real estate. In analyzing the comparables, all involve the exchange of the Fee Simple Estate (subject to assumed short-term apartment leases) in the real estate. As previously outlined, the subject property is also valued to its Fee Simple Estate. Therefore, no adjustments are required for property rights conveyed.

Financing Terms

Financing arrangements may modify the sale prices of two identical properties. Therefore favorable financing terms of the comparable sales must be investigated to determine which sales, if any, require adjustments to reflect normal market financing terms. As outlined in the individual sale discussions, none of the comparables involved favorable financing. Accordingly, no financing adjustments were required.

Conditions of Sale

Adjustments for conditions of sale usually reflect motivations of the buyer and the seller. In many situations the conditions of sale significantly affect transaction prices. Investigation of the comparables indicate that all represent arm's-length transactions reflecting typical buyer and seller motivations; accordingly, no adjustments to these sales are required for conditions of sale.

Market Conditions (Time)

An adjustment for market conditions may be required to the comparables if property values have appreciated or depreciated between the time of occurrence and the appraisal date. The four comparable transactions have all transpired since March 2017 and are considered to be reflective of prevailing market conditions. Accordingly, no market conditions (time) adjustments have been made within this select analysis.

Locational and Physical Characteristics

Adjustments for location may be required if the locational attributes of the comparable transactions differ significantly from those of the subject property. Major physical characteristics of the comparable properties that may require adjustments include age of the improvements at sale date, condition, project size, average unit size, land area, parking characteristics, amenities and construction quality. Analysis of the comparable sales revealed several dissimilarities between the comparables and the subject project.

Improved Sale No. 1 represents the January 2019 sale of La Fonda Apartments - a circa 1966, two-story, garden-style apartment project comprising 38 units and located along North Colorado Street within the northern section of the Midland Central Business District. Reportedly, water and gas utility bills are included within the above-noted rental rates. This project is undergoing a renovation as of the "As Is" appraisal date. This project is near several major developments, including: the Midland County Courthouse; the new Midland Convention Center (under construction); and several new urban loft developments. Based upon a comparison of these market indicators, Improved Sale No. 1 has been afforded a downward adjustment of 25% in order to compensate for its significantly superior location. Otherwise, a 5% downward adjustment has been applied to this market in order to compensate for its comparatively superior average unit size (786 square feet) when compared to the subject College Terrace Apartments (572 square feet). After applying the aforementioned adjustments, the adjusted unit price of La Fonda Apartments is \$49,737 per unit.

Improved Sale No. 2 represents the October 2018 sale of 17 units within a 19-unit apartment project known as Tanglewood North. 2 of the 19 units were previously sold as condominium units. Tanglewood North is a circa 1982, two-story, garden-style apartment project comprising 88 units and located along North Tanglewood Lane in northeastern Odessa. Overall, this project is considered to be relatively similar in terms of location. However, Tanglewood North is considered to be moderately superior to College Terrace Apartments ("Upon Completion") in terms of effective age of the improvements (and has been afforded a downward adjustment of 10% accordingly). Moreover, a 5% downward adjustment has been applied to this market in order to compensate for its comparatively superior average unit size (824 square feet) when compared to the subject College Terrace Apartments (572 square feet). After applying the aforementioned adjustments, the adjusted unit price of Tanglewood North is \$46,750 per unit.

Improved Sale No. 3 represents the March 2018 sale of Marvin Gardens Apartments - a circa 1981, two-story, garden-style apartment project that is located north of East 42nd Street in northeastern Odessa. This project reportedly underwent moderate renovations prior to sale. Overall, this project is considered to be relatively similar in terms of location. However, Marvin Gardens Apartments is also considered to be moderately superior to College Terrace ("Upon Completion") in terms of effective age of the improvements (and has been afforded a downward adjustment of 10% accordingly). Moreover, a 10% downward adjustment has been applied to this market in order to compensate for its comparatively superior average unit size (1,071 square feet) when compared to the subject College Terrace Apartments (572 square feet). Finally, Marvin Gardens Apartments is considered to be slightly superior to College Terrace Apartments in terms of unit amenities (and has been afforded an additional 5% downward adjustment accordingly). After applying the aforementioned adjustments, the adjusted unit price of Marvin Gardens Apartments is \$50,481 per unit.

Improved Sale No. 4 represents the March 2017 sale of Idlewood Terrace Apartments - a circa 1965, two-story, garden-style apartment project that is located along West Idlewood Lane in east-central Odessa. This project appeared to be in overall fair condition as of the date of inspection. Overall, this project is considered to be relatively similar in terms of location. However, based upon an exterior inspection of Idlewood Terrace Apartments, this project is considered to be significantly inferior to College Terrace Apartments (under the prospective "Upon Completion" appraisal premise) in terms of overall condition of the improvements. Based upon this analysis, Idlewood Terrace Apartments has been afforded a moderate (30%) upward adjustment in order to compensate for its comparatively inferior overall condition of the improvements. Conversely, a 10% downward adjustment has been applied to this market in order to compensate for its comparatively superior average unit size (1,099 square feet) when compared to the subject College Terrace Apartments (572 square feet). After applying the aforementioned adjustments, the adjusted unit price of Idlewood Terrace Apartments is \$44,286 per unit.

The improved sale adjustment grid is presented on the following page.

**College Terrace Apartments
Odessa, Ector County, Texas
Improved Sales Adjustment Grid**

	Sale 1	Sale 2	Sale 3	Sale 4
Property Location	La Fonda Apartments Midland, Texas	Tanglewood North Apartments Odessa, Texas	Marvin Gardens Apartments Odessa, Texas	Idlewood Terrace Apartments Odessa, Texas
Price/Unit	\$71,053	\$55,000	\$67,308	\$36,905
Property Rights Conveyed	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Sale Price	\$71,053	\$55,000	\$67,308	\$36,905
Conditions Of Sale	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Sale Price	\$71,053	\$55,000	\$67,308	\$36,905
Market Conditions	<u>0%</u>	<u>0%</u>	<u>0%</u>	<u>0%</u>
Adjusted Sale Price	\$71,053	\$55,000	\$67,308	\$36,905
Location	-25%	0%	0%	0%
Age/Condition/Quality	0%	-10%	-10%	30%
Avg. Unit Size	-5%	-5%	-10%	-10%
Project Size	0%	0%	0%	0%
Project Density	0%	0%	0%	0%
Project Amenities	0%	0%	0%	0%
Unit Amenities	<u>0%</u>	<u>0%</u>	<u>-5%</u>	<u>0%</u>
Net Adjustments	-30%	-15%	-25%	20%
Adjusted Sale Price	\$49,737	\$46,750	\$50,481	\$44,286
Adjusted Unit Indicators:				
Population Size		4		
Minimum Adjusted Unit Price		\$44,286		
Maximum Adjusted Unit Price		\$50,481		
Mean Adjusted Unit Price		\$47,813		
Variance		\$6,195		

The adjusted unit prices range from \$44,286 per unit to \$50,481 per unit, with a mean indicator of \$47,813 per unit. Moreover, the adjusted median is \$48,243 per unit. Based on the adjusted unit prices of the comparable sales (and considering the completion of the proposed renovations as outlined within this Appraisal Report; but also considering the advanced age of the subject apartment project), a unit price toward the adjusted mean and median of the range, or \$47,000 per unit, is considered reasonable for the subject property "Upon Completion", and the indicated value by the price per square foot is as follows:

25 Units @ \$47,000 per Unit =	\$1,175,000
Rounded	\$1,180,000

The implied EGIM for the subject property is 4.67X (based on an effective gross income of \$252,582 as presented in the forthcoming Stabilized Operating Statement), which is within the range of the comparables (3.61X to 7.34X, with a mean of 5.64X). Moreover, it is noted that the subject's pro forma effective gross income inherently assumes that the proposed extensive renovations have been completed. Accordingly, the implied EGIM of 4.67X appears reasonable in this instance.

Based on this analysis, the Market Value of the subject property "Upon Completion" has been estimated at **\$1,180,000** by application of the Sales Comparison Approach. In order to determine the Market Value "As Is" of the subject property, the budgeted renovation costs, entrepreneurial profit and contingency costs must be deducted from the "Upon Completion" value. As noted earlier within this Appraisal Report, the subject property owner has proposed extensive renovations including: extensive interior refurbishment to all 25 units; plumbing replacement; exterior painting; replacement of windows and exterior doors; and replacement of landscaping. Moreover, the appraisers have concluded that an additional \$5,000 per unit will be required to remedy additional components associated with the subject apartment project. Any deferred maintenance will also be cured. After consideration of a 20% profit/contingency factor, the anticipated renovation costs associated for College Terrace Apartments are estimated at \$410,000 (rounded), or approximately \$16,400 per unit. After deduction of the total renovations costs, the Market Value of the subject property "As Is" has been estimated at **\$770,000** by application of the Sales Comparison Approach.

Income Capitalization Approach

The Income Capitalization Approach is applied to analyze a property's capacity to generate benefits and converts these benefits into an indication of value. Application of this approach begins with the estimation of the potential gross income a property is capable of generating. Income levels may then be adjusted for vacancy and collection losses, resulting in the effective gross income. The applicable expenses of operating the property are then deducted from the effective gross income resulting in the net operating income estimate.

Market sales data are then typically analyzed to derive an appropriate overall capitalization rate. This rate is then applied to the subject property's net operating income to arrive at a valuation conclusion.

Income producing real estate is a capital good which is typically bought and sold primarily on the basis of the net income produced from the property. In all economic and investment analyses, of which real estate appraisal is an integral part, the value of a capital good is established and measured by calculating, as of a particular date, the present value of the anticipated future benefits (all sources of net revenue) to the owner over a specified period.

Competition Study

Competition, a direct relationship between the principles of supply and demand, is defined as "*the active demand for real estate in short supply by two or more market participants*". The appraised apartment project must feature effective rental rates that can compete with those of other similar apartment complexes within the subject area to attract and retain tenants. Competitive survey data was obtained from personal interviews by the appraisers, as cross-referenced from data provided by CoStar and other published data. Of these apartment projects, four are considered to represent primary competition to the subject property, subsequent to its renovation. Detailed discussions of these four competitive projects are included within the Addenda to this Appraisal Report.

The preceding apartment projects are considered to represent primary competition to the subject property. The apartment projects included in the survey range in size from 30 to 96 units; and in year of construction from 1965 to 1982. Occupancy rates range from 92% to 100%.

The subject property contains 24 one bedroom units featuring a net rentable area of 544 square feet per unit that are leased on a plus electric basis. A summary of the rental rates for the competing properties are highlighted in the following chart. According to a rent roll provided to the appraisers, the subject 544-square-foot one bedroom units were obtaining monthly rents of \$800 per month (\$1.47 per square foot). Moreover, the property owners expect rents to increase to \$1,100 per month (\$2.02 per square foot) after completion of renovations.

One Bedroom Unit (544 SF) Comparisons					
	Subject	Competitive Properties			
		No. 1	No. 2	No. 3	No. 4
Floor Plan	1 / 1	1 / 1	1 / 1	1 / 1	1 / 1
Size (SF)	544	607	646	660	726
Rate/Mo.	\$1,100	\$825	\$903	\$693	\$925
Unit Rate/SF	\$2.02	\$1.36	\$1.40	\$1.05	\$1.33

The competing projects display monthly rates ranging from \$693 to \$925, with rates per square foot ranging from \$1.05 to \$1.40. Competitive Rental Nos. 1 and 2 are most similar to the subject efficiency units in terms of unit size (and feature unit rental rates of \$1.36 and \$1.40 per square foot, respectively). However, all four projects do not benefit from being located adjacent to the campus of Odessa College (such as the subject College Terrace Apartments). As noted, the subject project was reportedly able to achieve rents of \$800 per month (\$1.47 per square foot) historically. Based upon this analysis, a post-renovations rental rate of approximately \$1.65 per square foot, or \$900 per month, generally appears achievable. Accordingly, the market rent for the subject's 24, 544-square-foot one bedroom plan (upon renovation) is estimated to be \$900 per month (\$1.65 per square foot).

The subject property contains one two-bedroom, one-bath unit featuring a net rentable area of 1,239 square feet. This unit has typically been occupied by the on-site manager (and has not been actively marketed); however, under the prospective "Upon Completion" appraisal premise, this unit will be refurbished and ready for occupancy. A summary of the rental rates for the competing properties are highlighted in the chart on the following page.

Two-Bedroom, One-Bath Unit (1,239 SF) Comparisons					
	Subject	Competitive Properties			
		No. 1	No. 2	No. 3	No. 4
Floor Plan	2 / 1	2 / 1	2 / 1	2 / 1	2 / 1
Size (SF)	1,239	1,414	976	880	913
Rate/Mo.	N/A	\$1,635	\$1,203	\$942	\$1,258
Unit Rate/SF	N/A	\$1.16	\$1.23	\$1.07	\$1.36

The competing projects display monthly rates ranging from \$942 to \$1,635, with rates per square foot ranging from \$1.07 to \$1.36. Competitive Rental Nos. 1 and 2 are most similar to the subject two bedroom unit in terms of location and/or unit size (and feature rental rates of \$1,635 and \$1,203 per unit, respectively). Based upon this comparison (and considering the favorable location of College Terrace Apartments adjacent to the Odessa College campus), the market rent for the subject's 1,239-square-foot two-bedroom, one-bath floor plan (upon renovation) is estimated to be \$1,800 per month (\$1.45 per square foot).

Other Income

The National Apartment Association's *2018 Survey of Operating Income & Expenses* reports annual other income (denoted as other revenue) at individual-metered, garden-style projects at \$788 per unit, or \$65.67 per month. However, these projects generally feature a greater number of amenities and associated income streams. The subject project has historically not included other income as a separate category. However, in the case of the subject property, other income appears to be limited to laundry and vending machine income. Based on this data (and assuming completion of the proposed renovations), other income is reasonably estimated at \$10.00 per month (subject to vacancy and collection losses).

Gross Potential Rental Income

Total potential gross income for the project is summarized in the following table.

Gross Potential Income Estimate					
Apartment Rental Income:					
Bldg.	No. of Units	Description	Unit Size (Sq.Ft.)	Est. Monthly Rental Rate	Annual Income
N/A	24	1 BR / 1 BA	544	\$900	\$259,200
N/A	<u>1</u>	2 BR / 1 BA	1,239	\$1,800	<u>\$21,600</u>
	25		Total Rental Income		\$280,800
Other Income:					
	25	Units @		\$10.00	<u>\$3,000</u>
Gross Potential Income:					\$283,800

Loss to Lease

At any point in time, at most apartment projects, there will be a difference in market and contract rents for individual tenants. For example, tenants that have occupied their units for an extended period of time may not have their rents adjusted upward at each renewal date. In order to account for this difference, most buyers and sellers apply a percentage deduction to the gross potential income. The National Apartment Association's *2018 Survey of Operating Income & Expenses* reports a Loss to Lease (denoted as Losses to Concessions) at 1.1% for individual-metered, garden-style apartments. A survey of regional apartment investors indicated an average of 3% to account for Loss to Lease. For purposes of this analysis, the appraisers have estimated the subject's market Loss to Lease at 3.0% of gross potential income.

Vacancy and Collection Loss

Vacancy and collection loss is a reduction of a property's potential gross income attributed to unrented space and late payment or nonpayment from existing tenants. Vacancy and collection projections, in the case of the subject property, are based on analyses of the expected absorption, normal tenant turnover, and credit losses. Occupancy rates for the competing apartment projects are summarized in the chart located on the following page.

COMPETING PROPERTY OCCUPANCY RATES	
Competitive Property	Occupancy Rate
Marquee West	93%
Appleridge	93%
Kona Kai	100%
Westwood Square	92%

The competitive properties indicate an occupancy range of 92% to 100%. Based on this data, the stabilized occupancy of the subject property is estimated to be 95%. Collection loss is an allowance for non-payment of rent or other income, and generally ranges from 0.5% to 2.0%. Given the age and location of the subject property, we have estimated a collection loss factor of 3.0%. Accordingly, the total vacancy and collection loss applied to the subject's gross income is 8.0%.

Operating Expenses

Operating expenses are defined as "*periodic expenditures necessary to maintain the real property and continue the production of effective gross income.*" It is noted that the appraiser was provided the income and expense data associated with the subject property for 2018. The appraisers have also reviewed actual expense data from similar regional apartment projects, as well as the *2018 Survey of Operating Income & Expenses* published by the National Apartment Association (NAA). The subject will be compared to the Garden-Style, Individual-Metered projects as denoted in the NAA report.

Real Estate Taxes

As noted in the *Tax and Assessment Data* section of this Appraisal Report, the projected annual tax expense is forecasted to be approximately \$33,900, rounded, or \$1,356 per unit, or \$2.37 per square foot of net rentable area.

Insurance

The subject's provided 2018 operating statement did include a category for property insurance. The NAA 2018 survey reports an insurance expense of \$224 per unit, or \$0.24 per square foot. Considering the lack of a sprinkler system within the subject apartment project, the subject's insurance expense is estimated at \$0.30 per square foot, or \$4,300 (rounded). This equates to \$172 per unit.

Utilities

The subject's annualized utilities expense for 2018 was \$1.54 per square foot. Reportedly, this expense includes water, sewer and cable for the on-site manager. The NAA 2018 surveyed utilities expense for individual-metered projects was \$300 per unit, or \$0.32 per square foot (net of reimbursements). Upon the prospective "Upon Completion" appraisal premise, the property owner plans to spend approximately \$80,000 in plumbing repairs (which is anticipated to decrease the water usage). Considering this, the appraisers have projected a utilities expense of \$1.00 per square foot (\$572 per unit), or \$14,300 (rounded).

Maintenance and Repair

The maintenance and repair expense is the category which allows for the day to day operations of the physical property. Included in maintenance are supplies, repairs, make-ready items, pool maintenance, pest control, landscape maintenance and contract services. The subject's annualized maintenance and repair expense for 2018 was \$2.28 per square foot. The NAA 2018 survey reported \$445 per unit, or \$0.47 per square foot, for this expense item. Considering the assumed renovation (under the "Upon Completion" appraisal premise), the subject's maintenance and repair expenses are estimated at \$.80 per square foot, or \$11,400 (rounded).

Payroll

Payroll expense is the category which allows for the expenditures necessary to hire a staff to efficiently maintain an apartment complex. This category includes salaries for on-site management, administration, leasing agents, security and maintenance as well as payroll taxes, payroll insurance, workman's compensation and unemployment taxes. The subject property has historically not included a payroll expense. The NAA 2018 Survey indicated a payroll expense (denoted as Salaries and Personnel) of \$1,306 per unit, or \$1.39 per square foot. Considering the smaller size of the subject property (25 units), the appraisers have utilized a payroll expense of \$1.40 per square foot, or \$20,000. This estimate is exclusive of administrative expenses (which will be included later within this section of the Appraisal Report).

Management Fee

A management fee is the cost involved in directing and conducting affairs necessary to adequately continue operation of the apartment complex. A survey of the market indicates that apartment management companies are typically paid a percentage of collected income, usually ranging from 3.0% to 5.0% of collected revenue. A percentage of income provides incentive to maximize the property's earning potential. A survey of the local market indicated the typical management fee is 4.0% of effective gross income, while the NAA 2018 survey delineated a management fee expense of 2.7% of effective gross income. Based on this analysis (and

considering that a modest payroll expense has been included), the subject's management fee expense is estimated at 5.0% of effective gross income.

Marketing

Marketing expenses include media advertising (including locater fees, apartment guides, signage, newsletter, internet and promotions. The subject did not have a marketing expense in 2018. The NAA 2018 survey reported a marketing expense of \$103 per unit, while the local comparable displayed a marketing expense of \$167 per unit. Assuming the subject has a stabilized occupancy under the "Upon Completion" appraisal premise (and considering the subject's location adjacent to the Odessa College campus), for purposes of this analysis, the subject's marketing expenses are estimated at \$0.10 per square foot, or \$1,400 (rounded).

General & Administrative

General and administrative expenses include office expenses, telephone, computer maintenance and supplies, professional fees and miscellaneous expenses. The subject property has historically not separated a general & administrative expense. The NAA 2018 survey reports a general and administrative expense of \$255 per unit (\$0.27 per square foot). For purposes of this analysis, the subject's general & administrative expenses are estimated at \$0.30 per square foot, or \$4,300 (rounded). As such, the combined payroll and general & administrative expenses have been estimated at \$1.70 per square foot.

Reserves for Replacement

Reserves for replacement are allowances in the operating statement for the replacement of short-lived construction items which are necessary to sustain the forecasted income. The subject and the NAA 2018 survey do not report this line item. However, the *PwC Real Estate Investor Survey* (National Apartment Market, First Quarter 2019) reports a range of reserves for replacement from \$1,500 to \$2,000 per apartment unit, with an average of \$507 per unit. Accordingly, taking into account the advanced age of the subject, but also recognizing its assumed renovation, reserves for replacement has been estimated at \$400 per unit per year, or \$10,000.

Total Operating Expenses

The total operating expenses projected for the subject "Upon Completion" are \$112,229, or \$4,489 per unit, or \$7.85 per square foot. This equates to an expense ratio of 44%. The subject's annualized operating expenses for 2018 totaled \$81,551 (however, there were expense categories not included for several expenses, including property management, property insurance, general & administrative, payroll and reserves for replacement). The comparables utilized in the Sales

Comparison Approach displayed pro-forma operating expenses ranging from \$3,810 per unit to \$5,767 per unit. The operating expense ratios of the comparables ranged from 39% to 56%. The NAA 2018 survey reflects a total operating expense of \$5,033 per unit (\$5.35 per square foot) and an average operating expense ratio of 37% (not including reserves for replacement). Based on this analysis, it appears that the subject's projected operating expenses are reasonable.

Net Operating Income

The total net operating income for the subject property "Upon Completion" is estimated to be \$140,353.

Capitalization

Several capitalization techniques are available for use by the appraisers in order to process the subject's net income into an estimate of value. The appropriate technique depends upon the type of property being appraised and its expected income stream, the quantity and quality of market data and current market conditions. The proper technique is usually that which most closely approximates the actions of typical buyers and sellers of that particular type of property. Interviews with numerous appraisers, purchasers, and sellers, indicated that an apartment complex that has been operating at stabilized occupancy levels for the past several years would likely be analyzed using direct capitalization. Thus, to derive an indication of value for the subject property, only the direct capitalization technique was considered.

Direct Capitalization

Under direct capitalization, the rate used to convert income into value is known as an overall rate. There are several accepted techniques of estimating an overall rate. Derivation of an overall rate from comparable sales is preferred when sufficient market data is available. A summary of the comparable sales along with indicated overall rates is shown in the following table.

OVERALL RATES					
Sale/ Listing	Project	Date	Size (Units)	Year Built	Overall Rate
1	La Fonda	01/19	38	1966	8.26%
2	Tanglewood North	10/18	17	1982	9.56%
3	Marvin Gardens	03/18	52	1981	9.71%
4	Idlewood Terrace	03/17	42	1965	12.05%

The comparables display a range of overall rates of 8.26% to 12.05%, with a mean of 9.90%. A summary of investor surveys showing apartment capitalization rates is presented in the following chart.

SUMMARY OF INVESTOR SURVEYS - APARTMENT CAPITALIZATION RATES			
Investor Survey	Range	Average	Date of Survey
PwC RE Investor Survey - National Apartments	3.50% - 7.00%	5.03%	1 st Qtr 2019

Apartment capitalization rate responses in the *PwC Real Estate Investor Survey* indicated a range of capitalization rates from 3.50% to 7.00%, with a weighted average of 5.03%. Apartment capitalization rates have moderately decreased over the past year, as the First Quarter 2018 average rate was 5.33%. It is noted that the properties included in the aforementioned survey are generally of investment quality. While the subject is of investment quality, due to its advanced age, an overall capitalization rate above the current average would be most appropriate.

It is noted that the subject apartment project features an advanced age (1965), and will still feature an advanced effective age (30 years) after renovations. Moreover, a significant portion of the value is attributed to these older improvements (which are assumed to depreciate over time). For these reasons and based on a review of the comparable sales and listings, as well as the aforementioned national survey, an overall rate toward the upper end produced by the improved sales, or 12.00%, is considered reasonable. Derivation of the subject's net operating income and application of the selected overall capitalization rate is presented in the table on the following page.

Based on this analysis, the Market Value of the subject property "Upon Completion" has been estimated at **\$1,170,000** by application of the Income Capitalization Approach. In order to determine the Market Value "As Is" of the subject property, the budgeted renovation costs, entrepreneurial profit and contingency costs must be deducted from the "Upon Completion" value. As noted earlier within this Appraisal Report, the subject property owner has proposed extensive renovations including: extensive interior refurbishment to all 25 units; plumbing replacement; exterior painting; replacement of windows and exterior doors; and replacement of landscaping. Moreover, the appraisers have concluded that an additional \$5,000 per unit will be required to remedy additional components associated with the subject apartment project. Any deferred maintenance will also be cured. After consideration of a 20% profit/contingency factor,

the anticipated renovation costs associated for College Terrace Apartments are estimated at \$410,000 (rounded), or approximately \$16,400 per unit. After deduction of the total renovations costs, the Market Value of the subject property "As Is" has been estimated at **\$760,000** by application of the Income Capitalization Approach.

Stabilized Operating Statement - College Terrace Apartments			
Apartment Rental Income:			
No. of Units	25		
Total Rental Income			\$280,800
Other Income:			
\$10.00	Per Unit per Month		<u>\$3,000</u>
Gross Potential Income:			
			\$283,800
Less: Loss to Lease @ 3% of GPI:			
			(\$8,514)
Less: Vacancy & Collection Loss @ 8% of GPI:			
			<u>(\$22,704)</u>
Effective Gross Income:			
			\$252,582
Expenses			
	Annual	Per Unit	
Real Estate Taxes	\$33,900	\$1,356	
Insurance	\$4,300	\$172	
Utilities	\$14,300	\$572	
Maintenance/Repair	\$11,400	\$456	
Payroll	\$20,000	\$800	
Management Fee	\$12,629	\$505	
Marketing	\$1,400	\$56	
General & Administrative	\$4,300	\$172	
Reserves	<u>\$10,000</u>	<u>\$400</u>	
Total Operating Expenses	\$112,229	\$4,489	<u>(\$112,229)</u>
Net Operating Income			
			\$140,353
Overall Capitalization Rate			
			<u>12.00%</u>
Indicated Stabilized Value			
			\$1,169,608
Rounded			
			\$1,170,000
Price Per Unit			
			\$46,800

Correlation and Conclusion

Application of the three appraisal methods resulted in the following indications of the Market Value "As Is" (as of June 19, 2019) and the prospective Market Value "Upon Completion" (as of September 19, 2019) of the Fee Simple Estate in the subject apartment project located on the subject 0.643-acre site:

	"As Is"	"Upon Completion"
Cost Approach	Not Used	Not Used
Sales Comparison Approach	\$770,000	\$1,180,000
Income Capitalization Approach	\$760,000	\$1,170,000

The Cost Approach is most appropriate when the improvements are new, or nearly new, and represent the Highest and Best Use of the land or when the facilities are of a special-purpose or specialized-use nature. In other circumstances, the extent of depreciation dictated by the age and character of the improvements make a market estimate by this approach less reliable. As noted previously, the appraisers have not used the Cost Approach to value, as this approach is generally not considered meaningful in appraising a property of this advanced age (originally constructed in 1965). The omission of the Cost Approach does not limit the reliability of the appraisal report, because reasonable market participants would concur that this approach is not applicable to the valuation of the subject property.

Generally, the Sales Comparison and Income Capitalization Approaches more accurately reflect current market activity and the motives of buyers and sellers for use or for investment purposes. The Sales Comparison Approach detailed several transactions involving apartment complexes located in generally similar locales that are considered to be reasonably similar to the subject property in terms of quality and income generation. The Income Capitalization Approach quantified the expected future cash flows that the subject property is capable of generating as well as compensating for the additional risk inherent in the ownership of this complex. The Sales Comparison Approach and the Income Capitalization Approach is given similar weight in the final correlation of value.

Based upon an inspection of the property and the investigation and analysis of data obtained, the appraisers have formed the opinion that the Market Value of the Fee Simple Estate "As Is" in the subject apartment project, as of June 19, 2019, and subject to the definitions, certifications and limiting conditions set forth in the attached Appraisal Report, is:

SEVEN HUNDRED SIXTY FIVE THOUSAND DOLLARS
(\$765,000)

Moreover, based upon an inspection of the subject property and the investigation and analysis of data obtained, the appraisers have formed the opinion that the prospective Market Value of the Fee Simple Estate "Upon Completion" in the subject property, and subject to the definitions, certifications and limiting conditions set forth in the attached Appraisal Report, as of September 19, 2019, will be:

ONE MILLION ONE HUNDRED SEVENTY FIVE THOUSAND DOLLARS
(\$1,175,000)

It is noted that the opinion of the Prospective Market Value of the Fee Simple Estate in the subject property "Upon Completion" is based upon the extraordinary assumption that the proposed renovations have been completed. The use of this extraordinary assumption may have affected the results of this assignment. It is our opinion that the subject project will be operating at a stabilized occupancy level upon completion of the proposed renovations.

Estimated Marketing Period of the Subject Property

The estimated marketing time for the subject property is based upon interviews with participants active in the local market, historical marketing periods, and investor surveys. Considering the overall assumed good quality of the improvements, the anticipated marketing time is estimated to be approximately twelve months.

The appraisers have also provided an estimate of the reasonable exposure time. Exposure time is defined in *The Dictionary of Real Estate Appraisal*, 5th Edition, Page 105 as: "*1. The time a property remains on the market. 2. The estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective estimate based on an analysis of past events assuming a competitive and open market. Exposure time is always presumed to occur prior to the effective date of the appraisal. The overall concept of reasonable exposure encompasses not only adequate, sufficient and reasonable time but also adequate, sufficient and reasonable effort.*" The estimated exposure time associated with the reported value estimate is also approximately twelve months.

This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standards Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It presents summary discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraisers' opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraisers' files. The depth of discussion contained in this report is specific to the needs of the client and for the intended use stated within this report. This report also conforms to the guidelines of Uniform Standards of Professional Appraisal Practice (USPAP), Title XI of FIRREA and the 2010 Interagency and Evaluation Guidelines.

Definition of Market Value

Market Value is defined by the FIRREA 12 CFR Part 323.2 (g) as:

Market Value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. *Buyer and seller are typically motivated;*
2. *Both parties are well informed or well advised, and acting in what they consider their own best interests;*
3. *A reasonable time is allowed for exposure in the open market;*
4. *Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
5. *The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.*

Market Value "As Is" is defined as the Market Value of a property in the condition observed upon inspection and as it physically and legally exists without hypothetical conditions, assumptions, or qualifications as of the date the appraisal is prepared.

The Prospective Market Value "Upon Completion" is defined as "The forecast value estimated in context with hypothetical condition in which a building that is proposed, under construction, conversion or rehabilitation is assumed to be complete, including all tenant finish, and ready for occupancy. Should anticipated market conditions indicate that stabilized occupancy is not likely as of the forecast date of completion, all appropriate deductions and discounts for lease-up risks should be applied. Additionally, any pre-leasing activity should be reflected".

ASSUMPTIONS AND LIMITING CONDITIONS:

1. This is an Appraisal Report which is intended to comply with the reporting requirements set forth under Standard Rule 2-2(a) of the Uniform Standards of Professional Appraisal Practice for an Appraisal Report. It might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Supporting documentation concerning the data, reasoning and analyses is retained in the appraiser's file. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. The property is appraised free and clear of any or all liens and encumbrances unless otherwise stated.
4. Responsible ownership and competent property management are assumed unless otherwise stated.
5. The information furnished by others is believed to be reliable. However, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material in this report are included only to assist the reader in visualizing the property.
7. It is assumed that there are no hidden or unapparent conditions of the property, subsoil, or structures that render it more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless a nonconformity has been stated, defined and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state, or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch in this report may show approximate dimensions and is not included to assist the reader in visualizing the property. Maps and exhibits found in this report are provided for reader reference purposes only. No guarantee as to accuracy is expressed or implied unless otherwise stated in this report. No survey has been made for the purpose of this report.
12. It is assumed that the utilization of the land and improvements is within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.

13. The appraisers are not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraisers that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert in the field of environmental assessment. The presence of substances such as asbestos, urea-formaldehyde foam insulation, or other potentially hazardous materials may affect the value of the property. The appraisers' value opinions are predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions, or for any expertise or engineering knowledge required to discover them. The appraisers' descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Unless otherwise stated in this report, the subject property is appraised without a specific compliance survey having been conducted to determine if the property is or is not in conformance with the requirements of the Americans with Disabilities Act. The presence of architectural and communications barriers that are structural in nature that would restrict access by disabled individuals may adversely affect the property's value, marketability, or utility.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings must not be used in conjunction with any other appraisal and are invalid if so used.
16. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event, only with proper written qualification and only in its entirety.
17. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or the firm with which the appraisers are connected) shall be disseminated to the public through advertising, public relations, news sales or other media without prior written consent and approval of the appraisers.
18. The liability of John C. Waggoner & Associates is limited to the client only and to the amount of fee actually received by John C. Waggoner & Associates. There is no accountability, obligation or liability to any third party. If the appraisal is disseminated to anyone other than the client, the client shall make such party or parties aware of all limiting conditions and assumptions affecting the appraisal assignment.
19. The "Upon Completion" value opinion produced in this report is based on the Extraordinary Assumption that the proposed subject improvements have been completed according to the plans and specifications reported to the appraisers. The use of this Extraordinary Assumption may have affected the results of this assignment.

CERTIFICATION

It is hereby stated that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of both the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.

I have made a personal inspection of the property that is the subject of this report.

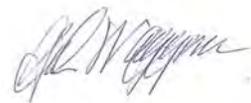
I have not had an appraisal interest in this property within the past three years from acceptance of this appraisal assignment.

No one provided significant professional assistance to the person signing this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, John C. Waggoner, MAI, have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.



July 16, 2019

John C. Waggoner, MAI, SRA
TX-1321329-G

CERTIFICATION

It is hereby stated that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the requirements of both the Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and USPAP.

I have made a personal inspection of the property that is the subject of this report.

I have not had an appraisal interest in this property within the past three years from acceptance of this appraisal assignment.

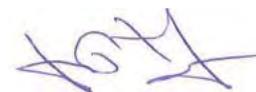
No one provided significant professional assistance to the person signing this report.

The appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan.

The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

As of the date of this report, I, Jimmy Pat James, MAI, have completed the requirements of the continuing education program for Designated Members of the Appraisal Institute.

July 16, 2019



Jimmy Pat James, MAI
TX-1320515-G

EXHIBIT A

MISCELLANEOUS PLATS AND MAPS OF THE SUBJECT PROPERTY

AERIAL PHOTOGRAPH



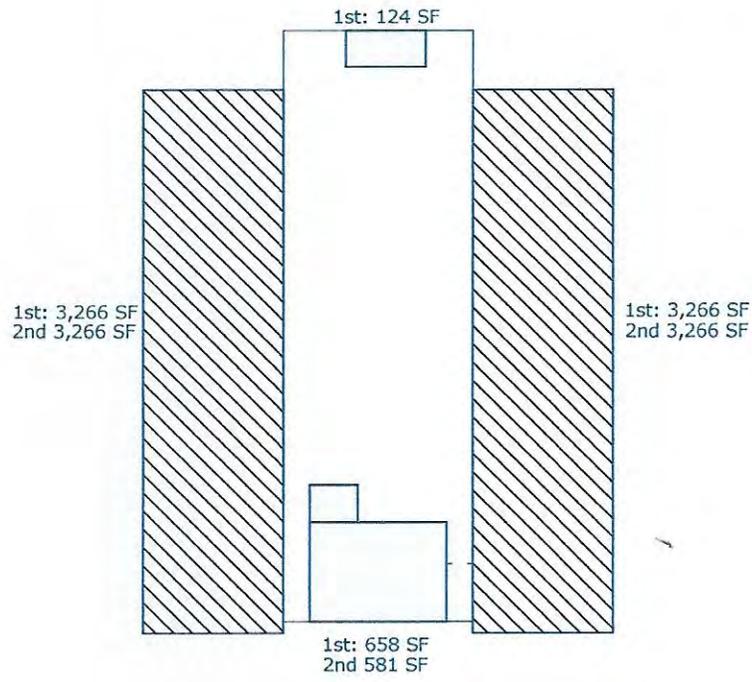


EXHIBIT B
SUBJECT PROPERTY PHOTOGRAPHS



Typical exterior view of the subject apartment project



Typical exterior view of the subject apartment project



Typical exterior view of the subject apartment project



Typical exterior view of the subject apartment project



Typical view across unimproved parking lot (west side of apartment buildings)



Typical view of central courtyard area



Typical interior view within one of the vacant units (to be renovated)



Typical interior view within one of the vacant units (to be renovated)



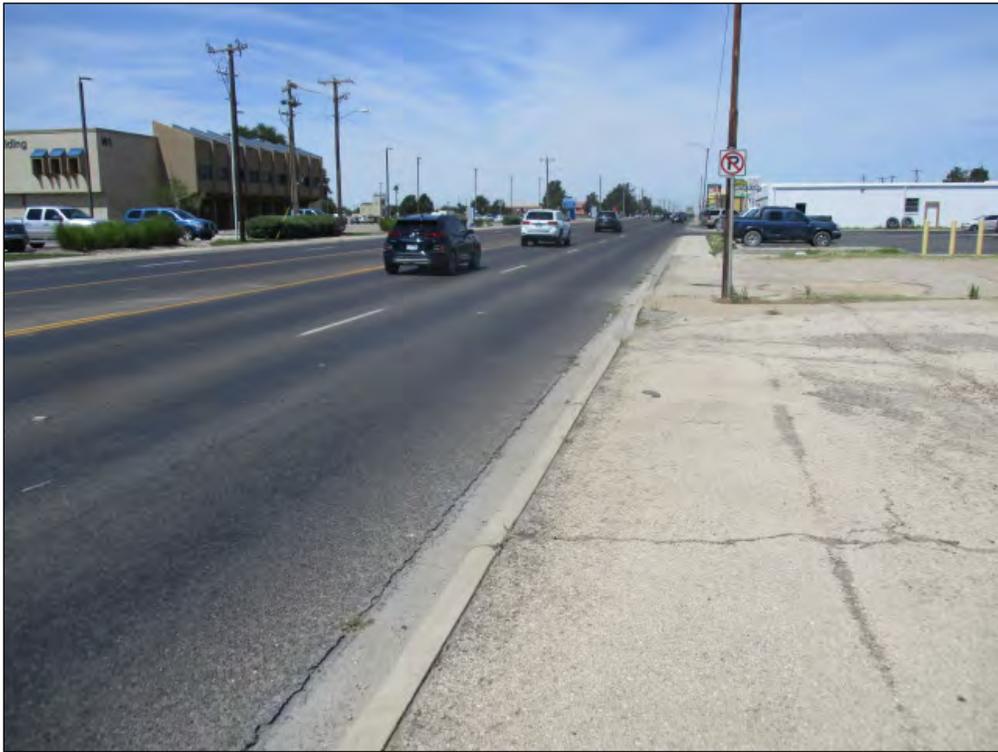
Typical interior view within one of the vacant units (to be renovated)



Typical interior view within one of the vacant units (to be renovated)



Looking east along West University Boulevard



Looking west along West University Boulevard



Looking north along Robertson Avenue



Looking south along Robertson Avenue



Looking east along the 20-foot-wide dedicated alley



Looking west along the 20-foot-wide dedicated alley

EXHIBIT C
IMPROVED SALES

Improved Sale No. 1



Property Name	La Fonda Apartments
Location	500 North Colorado Street Midland, Midland County, Texas
Grantor	La Fonda Property III, LLC, a Texas limited liability company
Grantee	500 Colorado, LLC
Legal Description	Being 0.772 acre of land out of the West Half of Block 41, Homestead Addition, an addition to the City of Midland, Midland County, Texas

IMPROVED SALE NO. 1 - Continued

Sale Date:	January 7, 2019
Recording Data:	Document No. 2019-525, Midland County Deed Records
Sale Price:	\$2,700,000
Sale Price Per SF:	\$90.45
Sale Price/Unit:	\$71,053
Terms of Sale:	Cash to seller
Occupancy at Sale:	95%
Building Data:	
No. of Units	38
Net Rentable Area	29,850 square feet
Average Unit Size	786 square feet
Year of Construction	1966
Land Area	0.772 acre
Density	49.22 units per acre
Construction	Two-story, wood frame, wood siding and brick veneer
Roof	Flat, built-up roofing system
Project Amenities	Project amenities are limited to a include laundry
Interior Features	Kitchen package includes refrigerators and range/stove
Lease Basis	Tenant pays electricity. Water and sewer are included within the rental payment.

IMPROVED SALE NO. 1 - Continued

<i>Economic Data: (Pro-Forma)</i>	Per SF	Per Unit	Total
Gross Potential Rental Income	\$13.50	\$10,605	\$402,975
Add Other Income	<u>0.19</u>	<u>150</u>	<u>5,700</u>
Total Gross Potential Income	\$13.69	\$10,755	\$408,675
Less Loss to Lease (3%)	0.41	323	12,260
Less Vacancy & Collect. Loss (7%)	<u>0.96</u>	<u>753</u>	<u>28,607</u>
Effective Gross Income	\$12.32	\$9,679	\$367,808
Less Estimated Operating Expenses	<u>4.85</u>	<u>3,810</u>	<u>144,773</u>
Net Operating Income	\$7.47	\$5,869	\$223,035
<i>Units of Comparison:</i>			
Sale Price			\$2,700,000
Net Rentable Area (SF)			29,850
Sale Price Per SF			\$90.45
No. of Units			38
Sale Price per Unit			\$71,053
Gross Income Multiplier			6.61
Effective Gross Income Multiplier			7.34
Operating Expense Ratio			39%
Overall Capitalization Rate			8.26%

Comments:

Improved Sale No. 1 represents the January 2019 sale of La Fonda Apartments - a circa 1966, two-story, garden-style apartment project comprising 38 units and located along North Colorado Street within the northern section of the Midland Central Business District. Reportedly, water and gas utility bills are included within the above-noted rental rates. This project is undergoing a renovation as of the "As Is" appraisal date.

Improved Sale No. 2



Property Name	Tangelwood North Apartments
Location	4000 Tanglewood Lane Odessa, Ector County, Texas
Grantor	Melba P. Sykes
Grantee	Garden Oaks Condominiums, LLC, a Texas limited liability company
Legal Description	Units 1A, 2-A, 3-A, 4-A, 5-A, 6-A, 13-B, 7-C, 8-C, 9-C, 10-C, 11-C, 12-C, 14-C, 15-C and 16-C, TANGLEWOOD NORTH CONDOMINIUM, an addition to the City of Odessa, Ector County, Texas

IMPROVED SALE NO. 2 - Continued

Sale Date	October 19, 2018
Recording Data:	Document No. 2018-00017068, Ector County Deed Records
Sale Price:	\$935,000
Sale Price Per SF:	\$66.75
Sale Price/Unit:	\$55,000
Terms of Sale:	Cash to seller
Occupancy at Sale:	100%
Building Data:	
No. of Units	17
Net Rentable Area	14,008 square feet
Average Unit Size	824 square feet
Year of Construction	1982
Land Area	0.429 acre (project as a whole)
Density	39.63 units per acre
Construction	Two-story, wood frame, wood siding with brick veneer.
Roof	Flat, built-up roofing system
Project Amenities	project amenities include: a central courtyard area; playground area; laundry facility; and carports.
Interior Features	Kitchen package includes refrigerators, range/stove; and washer/dryer connections.
Lease Basis	Tenant pays electricity, water and sewer charges

IMPROVED SALE NO. 2 - Continued

<i>Economic Data: (Pro-Forma)</i>	Per SF	Per Unit	Total
Gross Potential Rental Income	\$12.50	\$10,300	\$175,100
Add Other Income	<u>0.15</u>	<u>120</u>	<u>2,040</u>
Total Gross Potential Income	\$12.65	\$10,420	\$177,140
Less Loss to Lease (3%)	0.38	313	5,314
Less Vacancy & Collect. Loss (7%)	<u>0.89</u>	<u>729</u>	<u>12,400</u>
Effective Gross Income	\$11.38	\$9,378	\$159,426
Less Estimated Operating Expenses	<u>5.00</u>	<u>4,120</u>	<u>70,040</u>
Net Operating Income	\$6.38	\$5,258	\$89,386
<i>Units of Comparison:</i>			
Sale Price			\$935,000
Net Rentable Area (SF)			14,008
Sale Price Per SF			\$66.75
No. of Units			17
Sale Price per Unit			\$55,000
Gross Income Multiplier			5.28
Effective Gross Income Multiplier			5.86
Operating Expense Ratio			44%
Overall Capitalization Rate			9.56%

Comments: Improved Sale No. 2 represents the October 2018 sale of 17 units within a 19-unit apartment project known as Tanglewood North. 2 of the 19 units were previously sold as condominium units. Tanglewood North is a circa 1982, two-story, garden-style apartment project comprising 88 units and located along North Tangelwood Lane in northeastern Odessa. Reportedly, electricity, water and sewer charges are paid by the respective tenants.

Improved Sale No. 3



Property Name	Marvin Gardens Apartments
Location	4307 Wendover Avenue and 4300 North Esmond Drive Odessa, Ector County, Texas
Grantor	Phoenix-Marvin Gardens, Ltd., formerly known as Phoenix, Ltd.
Grantee	Marvin Gardens Apartments, LLC
Legal Description	Lots 37-40, Block 12; and Lots 43-47, Block 9, Esmond Estates, an addition to the City of Odessa, Ector County, Texas

IMPROVED SALE NO. 3 - Continued

Sale Date	March 26, 2018
Recording Data:	Document No. 2018-00004670, Ector County Deed Records
Sale Price:	\$3,500,000
Sale Price Per SF:	\$62.84
Sale Price/Unit:	\$67,308
Terms of Sale:	Cash to seller
Occupancy at Sale:	97%
Building Data:	
No. of Units	52
Net Rentable Area	55,700 square feet
Average Unit Size	1,071 square feet
Year of Construction	1981
Land Area	1.823 acres
Density	25.52 units per acre
Construction	Two-story, wood frame with stucco
Roof	Composition roofing system
Project Amenities	Project amenities are limited to a laundry facility and surface parking
Interior Features	Kitchen package includes refrigerators, range/stove and dishwashers; ceiling fans; mini-blinds
Lease Basis	Water, gas, electric, and cable are included with rental payment

IMPROVED SALE NO. 3 - Continued

<i>Economic Data: (Pro-Forma)</i>	Per SF	Per Unit	Total
Gross Potential Rental Income	\$12.00	\$12,854	\$668,400
Add Other Income	<u>0.17</u>	<u>180</u>	<u>9,360</u>
Total Gross Potential Income	\$12.17	\$13,034	\$677,760
Less Loss to Lease (3%)	0.37	391	20,333
Less Vacancy & Collect. Loss (7%)	<u>0.85</u>	<u>912</u>	<u>47,443</u>
Effective Gross Income	\$10.95	\$11,730	\$609,984
Less Estimated Operating Expenses	<u>4.85</u>	<u>5,195</u>	<u>270,145</u>
Net Operating Income	\$6.10	\$6,535	\$339,839
<i>Units of Comparison:</i>			
Sale Price			\$3,500,000
Net Rentable Area (SF)			55,700
Sale Price Per SF			\$62.84
No. of Units			52
Sale Price per Unit			\$67,308
Gross Income Multiplier			5.16
Effective Gross Income Multiplier			5.74
Operating Expense Ratio			44%
Overall Capitalization Rate			9.71%

Comments: Improved Sale No. 3 represents the March 2018 sale of Marvin Gardens Apartments - a circa 1981, two-story, garden-style apartment project that is located north of East 42nd Street in northeastern Odessa. This project reportedly underwent moderate renovations prior to sale. Reportedly, all utilities charges are included within the rental payment.

Improved Sale No. 4



Property Name	Idlewood Terrace Apartments
Location	2413 East Idlewood Lane Odessa, Ector County, Texas
Grantor	MLS ASSETS, LLC, a Texas Limited Liability Company
Grantee	FORTUNE PARTNERS ODESSA, LLC, a Texas Limited Liability Company
Legal Description	Lots 9-19, Block 35, CRESCENT PARK ADDITION, 8 TH Filing, an addition to the City of Odessa, Ector County, Texas

IMPROVED SALE NO. 4 - Continued

Sale Date	March 3, 2017
Recording Data:	Document No. 2017-00003867, Ector County Deed Records
Sale Price:	\$1,550,000
Sale Price Per SF:	\$33.59
Sale Price/Unit:	\$36,905
Terms of Sale:	Cash to seller
Occupancy at Sale:	92%
Building Data:	
No. of Units	42
Net Rentable Area	46,138 square feet
Average Unit Size	1,099 square feet
Year of Construction	1965
Land Area	2.471 acres
Density	17.00 units per acre
Construction	Two-story, wood frame with brick and wood siding
Roof	Composition roofing system
Project Amenities	Project amenities are limited to a laundry facility and covered parking
Interior Features	Kitchen package includes refrigerators, range/stove and dishwashers
Lease Basis	Tenant pays electricity. Water and sewer are included within the rental payment.

IMPROVED SALE NO. 4 - Continued

<i>Economic Data: (Pro-Forma)</i>	Per SF	Per Unit	Total
Gross Potential Rental Income	\$10.20	\$11,205	\$470,608
Add Other Income	<u>0.13</u>	<u>144</u>	<u>6,048</u>
Total Gross Potential Income	\$10.33	\$11,349	\$476,656
Less Loss to Lease (3%)	0.31	340	14,300
Less Vacancy & Collect. Loss (7%)	<u>0.72</u>	<u>794</u>	<u>33,366</u>
Effective Gross Income	\$9.30	\$10,214	\$428,990
Less Estimated Operating Expenses	<u>5.25</u>	<u>5,767</u>	<u>242,225</u>
Net Operating Income	\$4.05	\$4,447	\$186,766
<i>Units of Comparison:</i>			
Sale Price			\$1,550,000
Net Rentable Area (SF)			46,138
Sale Price Per SF			\$33.59
No. of Units			42
Sale Price per Unit			\$36,905
Gross Income Multiplier			3.25
Effective Gross Income Multiplier			3.61
Operating Expense Ratio			56%
Overall Capitalization Rate			12.05%

Comments: Improved Sale No. 4 represents the March 2017 sale of Idlewood Terrace Apartments - a circa 1965, two-story, garden-style apartment project that is located along West Idlewood Lane in east-central Odessa. This project appeared to be in overall fair condition as of the date of inspection.

EXHIBIT D
COMPETITIVE RENTALS

Comparable Rental No. 1



Property Name	Marquee West Apartments
Location	1111 West 13 th Street Odessa, Ector County, Texas
Exterior Construction	Two-story, wood frame with brick veneer
Total No. of Units	30
Rental Rate/SF Range	\$1.16 to \$1.45 per month
Occupancy	93%

**COMPETITIVE PROPERTY NO. 1
(con't)**

Project Amenities Project amenities include a central courtyard area

Year of Construction 1965

Interior Features Kitchen package includes refrigerators and range/stove (select units have fireplaces)

Unit Rental Rates:

Size (Sq. Ft.)	Description	Monthly Rent	Rent Per SF	Effective Rent Per SF
478	Efficiency	\$694	\$1.45	\$1.45
607	1 BR / 1 BA	\$825	\$1.36	\$1.36
1,414	2 BR / 1 BA	\$1,635	\$1.16	\$1.16

Rent Discounts N/A

Comments Competitive Property No. 1 is Marquee West Apartments - a circa 1965, two-story, garden-style apartment project comprising 30 units and located along West 13th Street in Odessa. Reportedly, water and gas utility bills are included within the above-noted rental rates. Two units are reportedly vacant as of the "As Is" appraisal date.

Comparable Rental No. 2



Property Name	Appleridge Apartments
Location	2600 Santa Cruz Lane Odessa, Ector County, Texas
Exterior Construction	Two-story, wood frame with wood siding and brick veneer
Total No. of Units	96
Rental Rate/SF Range	\$1.23 to \$1.74 per month (effective)
Occupancy	93%

**COMPETITIVE PROPERTY NO. 2
(con't)**

Project Amenities Project amenities include a business center, laundry facility and playground

Year of Construction 1982

Interior Features Kitchen package includes refrigerators, range/stove; ceiling fans; washer/dryer connections; and small patios

Unit Rental Rates:

Size (Sq. Ft.)	Description	Monthly Rent	Rent Per SF	Effective Rent Per SF
402	Efficiency	\$701	\$1.74	\$1.74
646	1 BR / 1 BA	\$903	\$1.40	\$1.40
976	2 BR / 1 BA	\$1,203	\$1.23	\$1.23

Rent Discounts Noted reported

Comments Competitive Property No. 2 is Appleridge Apartments, a circa 1982 garden-style apartment project that is located along West University Boulevard in western Odessa. This project appears to be in overall good condition as of the "As Is" appraisal date.

Comparable Rental No. 3



Property Name	Kona Kai Apartments
Location	1315 West 24 th Street Odessa, Ector County, Texas
Exterior Construction	Two-story, wood frame with brick veneer; pitched, composition roof.
Total No. of Units	32
Rental Rate/SF Range	\$1.05 to \$1.07 per month
Occupancy	100%

**COMPETITIVE PROPERTY NO. 3
(con't)**

Project Amenities Project amenities include a central courtyard area and playground

Year of Construction 1977

Interior Features Kitchen package includes refrigerators and range/stove

Unit Rental Rates:

Size (Sq. Ft.)	Description	Monthly Rent	Rent Per SF	Effective Rent Per SF
660	1 BR / 1 BA	\$693	\$1.05	\$1.05
880	2 BR / 1 BA	\$942	\$1.07	\$1.07

Rent Discounts N/A

Comments Competitive Property No. 3 is Kona Kai e Apartments, a circa 1977, two-story apartment project that is located along West 24th Street in western Odessa. It is leased on a plus electric basis (water and sewer is included with the rental payment).

Comparable Rental No. 4



Property Name	Westwood Square
Location	2950 Pleasant Avenue Odessa, Ector County, Texas
Exterior Construction	Two-story, wood frame and brick and stucco veneer; flat, built-up roofing system
Total No. of Units	79
Rental Rate/SF Range	\$1.33 to \$1.36 per month
Occupancy	92%

**COMPETITIVE PROPERTY NO. 4
(con't)**

Project Amenities Project amenities includes a clubhouse; central courtyard area; laundry facility; and picnic area

Year of Construction 1977

Interior Features Kitchen package includes refrigerators, dishwasher, disposal; and range/stove; private balcony; ceiling fans; walk-in closets

Unit Rental Rates:

Size (Sq. Ft.)	Description	Monthly Rent	Rent Per SF	Effective Rent Per SF
726	1 BR / 1 BA	\$975	\$1.34	\$1.33
913	2 BR / 1 BA	\$1,258	\$1.38	\$1.36

Rent Discounts N/A

Comments Competitive Property No. 4 is Westwood Square, a circa 1977, two-story garden-style apartment project located along Pleasant Avenue and northwest of the subject property. It is leased on a plus electric basis (water and sewer is included with the rental payment).

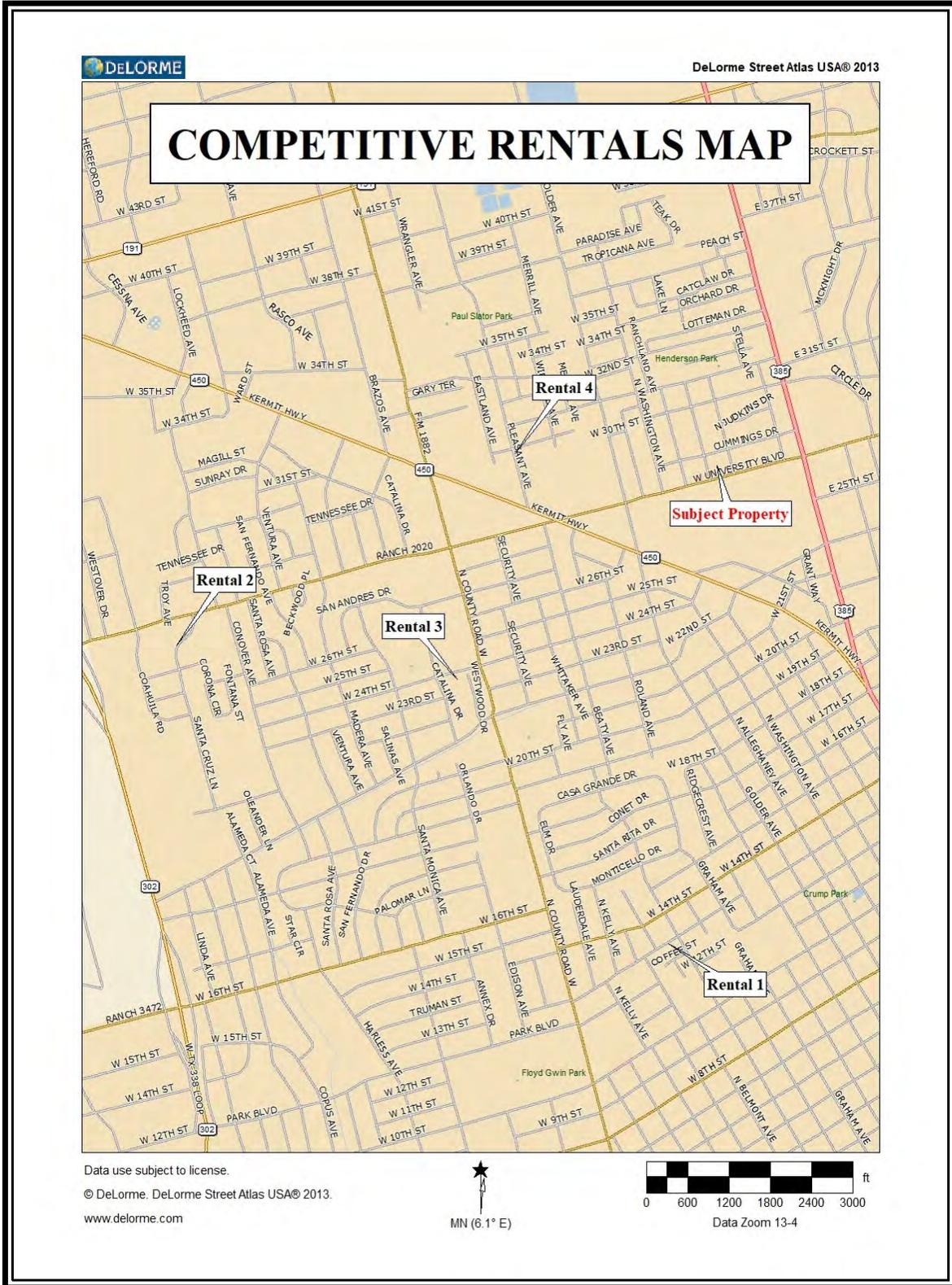


EXHIBIT E
QUALIFICATIONS OF THE APPRAISERS

QUALIFICATIONS OF JOHN C. WAGGONER, MAI SRA

EDUCATION

Louisiana State University, Baton Rouge, Louisiana
B.S. Degree, 1971
Major: Industrial Management
Post Graduate Work: Real Estate Principles and Appraisals

BUSINESS EXPERIENCE

January, 1972	-	May, 1973	Real Estate Sales & Brokerage with Fred C. Gage & Associates in Odessa, Texas
February, 1973	-	1977	Instructor: Real Estate Principles & Appraisals Odessa College in Odessa, Texas
June, 1973	-	December, 1976	Real Estate Appraisals with M. D. Shirley Associates in Odessa, Texas
January, 1977	-	Present	Self employed - Real Estate Appraisals

PRESENT BUSINESS CONNECTIONS AND ASSOCIATIONS

Member of the Appraisal Institute (MAI)
Residential Member of the Appraisal Institute (SRA)
Texas State Certified General Real Estate Appraiser (TX-1321329-G)

APPRAISAL COURSES COMPLETED

Course 1-A	Basic Principles, Methods, & Techniques
Course 1-B	Capitalization Theory & Techniques
Course 2	Urban Properties
Course 6	Introduction to Real Estate Investment Analysis
Course 8	Residential Properties

All courses sponsored by the American Institute of Real Estate Appraisers.

POSITIONS HELD

Secretary-Treasurer: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

Vice President: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

President: Texas Plains Chapter No. 58 of the American Institute of Real Estate Appraisers

REPRESENTATIVE APPRAISAL CLIENTS

Chase Bank of Texas, N.A., Odessa, Texas
Chase Bank of Texas, N.A., Dallas, Texas
Chase Bank of Texas, N.A., Houston, Texas
Community National Bank, Midland, Texas
Commercial State Bank, Midland, Texas
Commercial State Bank, Odessa, Texas
The City of Odessa, Odessa, Texas
Ector County, Odessa, Texas
Ector County Hospital District, Odessa, Texas
State National Bank, Odessa, Texas
Southwest Bank, Odessa, Texas
Security State Bank, Odessa, Texas
Prosperity Bank, Odessa, Texas
Prosperity Bank, Lubbock, Texas
Bank of America, Odessa, Texas
Bank of America, Midland, Texas
Wells Fargo Bank, Odessa, Texas
Wells Fargo Bank, San Antonio, Texas
Odessa Junior College
Odessa Regional Medical Center
State of Texas
Western National Bank, Odessa, Texas
Western National Bank, Midland, Texas
West Texas State Bank, Odessa, Texas

JOHN CARLTON WAGGONER JR
PO BOX 13236
ODESSA, TX 79768



Certified General Real Estate Appraiser

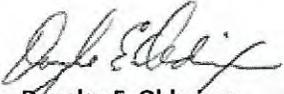
Appraiser: **JOHN CARLTON WAGGONER JR**

License #: **TX 1321329 G**

License Expires: **06/30/2021**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Douglas E. Oldmixon
Commissioner



ADVANCED VALUATION SYSTEMS, INC.

Jimmy Pat James President

Qualifications

BUSINESS EXPERIENCE

Jimmy Pat James, MAI, prior to forming Advanced Valuation Systems, Inc., served as a senior appraiser in the Dallas regional office of a national appraisal firm.

VALUATION EXPERIENCE

Mr. James has experience in the appraisal of commercial, industrial and investment grade properties to determine the Market Value for financing, possible sale or purchase, allocation of purchase price, ad valorem purposes and internal planning purposes. Typical properties have included triple-net leases facilities, vacant land, regional malls, strip and neighborhood shopping centers, garden-style and major office projects, light and heavy industrial facilities, hotels, apartment projects, subdivisions, mixed-use developments and research/development projects. Additionally, Mr. James has had experience in coordinating multi-property appraisal assignments throughout the country.

Mr. James has performed appraisals in over 35 of the United States.

Since 1986, Mr. James has specialized in the appraisal of investment grade income real estate. Mr. James has also been extensively involved in the appraisal of "Triple-Net" assets, including drug stores, grocery stores and convenience stores. Since 1999, Advanced Valuation Systems, Inc. has appraised over 2,000 drug stores for CVS Corporation, Walgreens, and Eckerd.

COURT EXPERIENCE

Mr. James has testified as an expert witness at an Equalization Board Hearing in Lubbock, Texas, regarding valuations for Ad Valorem tax purposes.

PROFESSIONAL AFFILIATIONS/ASSOCIATION MEMBERSHIPS

MAI Designation, Appraisal Institute

State Certified General Real Estate Appraiser – Texas and New Mexico

SPECIAL COMMITTEE AFFILIATIONS

Appointed member of the North Texas Chapter Admissions Committee for the Appraisal Institute

101 WEST RENNER ROAD, SUITE 100, RICHARDSON, TEXAS 75082 • (972) 490-4554

J. James (cont.)

EDUCATION

Texas Tech University, Lubbock, Texas
Bachelor of Business Administration, Real Estate Finance

APPRAISAL AND SPECIAL EDUCATION COURSES

American Institute of Real Estate Appraisers
Real Estate Principles
Basic Valuation Procedures
Capitalization Theory and Techniques, Part 1A and 1B
Valuation Analysis and Reporting Writing
Standards of Professional Practice
Case Studies in Real Estate Valuation
Uniform Standards of Professional Appraisal Practice

Texas Tech University
Real Estate Principles
Real Estate Valuation
Real Estate Finance
Real Estate Investments
Real Estate Law
Business Law
Income Tax Accounting
Securities and Investments
Money, Banking, and Credit

RESPRESENTATIVE CLIENTS SERVED

Aid Association for Lutherans/Lutheran Brotherhood	American State Bank
BancCorpSouth	Bank of Las Vegas
Bank of Oklahoma	Bank of Texas
Bank One, Texas, NA	Ben E. Keith Foods
Benchmark Bank	Boatmen's Bank
City Bank	ClayDesta Corporation
Comerica Bank	Compass Bank
Covenant Health Systems	Credit Suisse First Boston
Cummings-Baccus Interests	CVS Corporation
Dallas Central Appraisal District	Federal Deposit Insurance Corporation
Midland Economic Corporation	First Bank
First National Bank of Burkburnett	First Security Commercial Mortgage, L.P.
GE Capital Real Estate	GRACO Real Estate Group
Happy State Bank	JP Morgan
Lubbock National Bank	M&I Marshall & Ilsley Bank
Malouf Interests	MidFirst Bank
Midland Central Appraisal District	Midland Development Corporation
American Bank of Commerce	Nationwide Mutual Insurance Company
Paine Webber Real Estate Investments, Inc.	Plains Capital Bank
Protective Life Insurance Company	Prudential Life Insurance Company
Plains Capital Bank	Staubach Capital Partners
Target Corporation	Texas Bank
The Ohio National Life Insurance Company	The Weitzman Group
Wells Fargo Estate Group	Western National Bank

JIMMY PAT JAMES
101 WEST RENNER RD STE 100
RICHARDSON, TX 75082



TEXAS APPRAISER LICENSING &
CERTIFICATION BOARD

Certified General Real Estate Appraiser

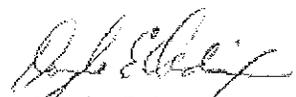
Appraiser: **Jimmy Pat James**

License #: **TX 1320515 G**

License Expires: **04/30/2021**

Having provided satisfactory evidence of the qualifications required by the Texas Appraiser Licensing and Certification Act, Occupations Code, Chapter 1103, authorization is granted to use this title:
Certified General Real Estate Appraiser

For additional information or to file a complaint please contact TALCB at www.talcb.texas.gov.


Douglas E. Oldmixon
Commissioner

ODESSA COLLEGE TAX RATE PROPOSAL

	2019 Roll	2018 Roll	Annual Increase
<u>PROPERTY VALUES</u>			
Mineral Property	\$ 1,918,691,417	\$ 1,886,175,363	1.7%
Real Estate - Residential, Farm & Ranch	7,880,984,543	6,611,703,364	19.2%
Real Estate - Commercial & Industrial	4,476,578,756	3,955,646,339	13.2%
Personal Property	4,930,108,751	4,211,210,258	17.1%
Less: Exemptions	<u>(3,254,441,569)</u>	<u>(2,770,546,202)</u>	17.5%
NET TAXABLE VALUES	<u>\$ 15,951,921,898</u>	<u>\$ 13,894,189,122</u>	14.8%

TAX RATES:	<u>Proposed</u>	<u>Current Year</u>	
For Maintenance & Operations	\$ 0.159228	\$ 0.169654	-6.1%
For Debt Service	\$ 0.027562	\$ 0.030006	-8.1%
Total Combined Tax Rate	<u>\$ 0.186790</u>	<u>\$ 0.199660</u>	<u>-6.4%</u>
2019 Effective Operating Rate	(a) \$ 0.178481		
2019 Proposed Rate	(b) \$ 0.186790		
Effective Tax Increase [(b-a)/a]			4.66%
2019 Maximum Roll-Back Rate	\$ 0.191352		

<u>TAX LEVY (Revenue):</u>	<u>Proposed</u>	<u>Current Year</u>	
For Maintenance & Operations	\$ 25,399,926	\$ 23,572,048	7.8%
For Debt Service	4,396,775	4,169,090	5.5%
Total Tax Revenue	<u>\$ 29,796,701</u>	<u>\$ 27,741,138</u>	<u>7.4%</u>

<u>Average Home Value:</u>	<u>Proposed</u>	<u>Current Year</u>	
Average Home Market Value	\$ 192,733	\$ 170,873	12.8%
Average Home Taxable Value	\$ 149,918	\$ 135,129	10.9%
<u>Average Annual Tax Bill:</u>	\$ 280.03	\$ 269.80	3.8%
Annual Increase	\$ 10.23		
Monthly Increase	\$ 0.85		

PROPOSED TAX HEARING CALENDAR

August 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
25	26	27 Discuss Tax Rate, Take Record Vote, Schedule 2 Hearings	28	29 Publish in OA: "Notice of Public Hearing on Tax Increase" (wait 7 days for hearing)	30	31

September 2019

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4	5 1st Public Hearing 6 pm - Saalsbury Campus Center Room 128 (wait 3 days for 2nd hearing)	6	7
8	9	10 2nd Public Hearing Noon – Saalsbury Campus Center Room 128	11	12	13	14
15	16	17 Publish in OA: "Notice of Tax Revenue Increase"	18	19	20	21
22	23	24 Adopt Tax Rate at Regular Board Mtg.	25	26	27	28
29	30					

ODESSA COLLEGE
BUDGET COMPARISON STATEMENT
CURRENT UNRESTRICTED INCOME & EXPENDITURES
July 31, 2019 and 2018

	THROUGH JULY 2019	TOTAL BUDGET 2018-2019	PERCENT OF BUDGET	THROUGH JULY 2018	TOTAL BUDGET 2017-2018	PERCENT OF BUDGET
Revenues:						
State Appropriation	7,577,157	8,372,550	90.5%	7,584,085	8,370,061	90.6%
Ad Valorem Taxes	23,717,786	23,847,048	99.5%	22,293,148	22,175,000	100.5%
Tuition and Fees - Credit	11,862,197	10,982,652	108.0%	11,271,146	10,564,630	106.7%
Tuition and Fees - Non Credit	1,333,824	1,725,596	77.3%	1,074,270	1,587,015	67.7%
Federal Grants & Contracts	8,345	10,000	83.5%	8,655	10,000	86.6%
Other Income	1,034,224	1,219,763	84.8%	1,002,369	1,178,592	85.0%
Gift Income	33,634	116,245	28.9%	14,570	78,695	18.5%
Investment Income	496,547	350,000	141.9%	372,092	350,000	106.3%
Total Revenues	46,063,714	46,623,854	98.8%	43,620,335	44,313,993	98.4%
Salaries and Benefits:						
General Administration	1,805,474	2,030,089	88.9%	1,674,584	1,849,037	90.6%
Student Services	2,231,719	2,516,233	88.7%	2,024,574	2,464,998	82.1%
General Institutional	2,370,774	2,713,335	87.4%	2,214,088	2,597,973	85.2%
Instruction	10,999,054	12,396,830	88.7%	9,792,376	11,313,930	86.6%
Instructional Support	2,548,254	3,456,843	73.7%	2,388,246	3,212,449	74.3%
Public Service	548,003	691,719	79.2%	564,624	714,495	79.0%
Physical Plant	961,860	1,077,186	89.3%	914,866	1,012,801	90.3%
Staff Benefits	4,766,869	5,284,229	90.2%	4,437,516	5,107,182	86.9%
Total Payroll	26,232,007	30,166,464	87.0%	24,010,874	28,272,865	84.9%
Other Operating Expenditures:						
General Administration	292,846	334,008	87.7%	274,700	289,035	95.0%
Student Services	364,676	510,795	71.4%	527,190	553,917	95.2%
General Institutional	2,920,290	3,558,894	82.1%	3,005,958	3,382,517	88.9%
Instruction	1,035,796	1,077,929	96.1%	1,124,505	1,251,270	89.9%
Instructional Support	432,661	476,568	90.8%	372,168	507,997	73.3%
Public Service	96,417	165,998	58.1%	125,549	176,915	71.0%
Physical Plant Operations	1,430,518	1,544,195	92.6%	1,481,690	1,522,048	97.3%
Utilities	906,896	1,047,816	86.6%	940,505	1,023,211	91.9%
Scholarships & Allowances	1,414,460	1,603,700	88.2%	1,469,593	1,538,400	95.5%
Total Operating Expenditures	8,894,560	10,319,903	86.2%	9,321,858	10,245,310	91.0%
Transfers In:						
Bookstore Profit (Loss)	32,678	65,000	50.3%	126,159	100,000	126.2%
OER Reserve Fund	91,667	100,000	91.7%	-	-	n/a
Other Auxiliary Profit (Loss)	(47,387)	(38,973)	n/a	(112,287)	(78,385)	n/a
Investment Income - Plant Funds	68,184	30,000	227.3%	56,308	28,000	201.1%
Total Transfers In	145,142	156,027	93.0%	70,180	49,615	141.4%
Transfers Out:						
For Revenue Bond Debt Service	2,317,500	2,484,000	93.3%	2,319,900	2,485,800	93.3%
Tuition for TPEG Scholarships	492,535	450,000	109.5%	432,083	425,000	101.7%
To Technology Replacement Fund	449,088	450,000	99.8%	297,507	300,000	99.2%
To Plant Renew/Replace Fund	1,009,337	686,100	147.1%	278,325	300,000	92.8%
To Construction Funds	762,500	900,000	84.7%	916,667	1,000,000	91.7%
Athletics Subsidy	1,257,534	1,296,584	97.0%	1,139,446	1,136,170	100.3%
Other Transfers	(47,987)	26,830	n/a	150,000	198,463	75.6%
Total Transfers Out	6,240,507	6,293,514	99.2%	5,533,928	5,845,433	94.7%
Excess of Revenues over Expenditures and Transfers	4,841,782	-		4,823,855	-	

ODESSA COLLEGE

August 27, 2019

GENERAL CONTINGENCY EXPENDITURES (11-10390-5388)

Original Budget, September 1, 2018	\$	600,000
Approved Adjustments, September 25, 2018		(42,500)
Approved Adjustments, December 6, 2018		(92,130)
Approved Adjustments, February 26, 2019		(44,161)
Approved Adjustments, April 23, 2019		(6,218)
Approved Adjustments, July 30, 2019		(42,012)
Proposed Adjustments, August 27, 2019	**	(12,479)
Balance Remaining for General Contingencies	\$	<u><u>360,500</u></u>

INCREASES (DECREASES) IN INCOME BUDGETS

None		-
	\$	<u><u>-</u></u>

INCREASES (DECREASES) IN EXPENDITURE BUDGETS

UTPB Blue Zone Project					
11 -	40342 -	5407	Health & Safety	Contract Services	2,500
11 -	10390 -	5388	General Contingency	Contingent Expenditures	** (2,500)
Chiller Plant Water Pump Repairs					
70 -	67916 -	5362	FY19 Pumps	Equipment Repairs	9,979
11 -	10390 -	5388	General Contingency	Contingent Expenditures	** <u>(9,979)</u>
				\$	<u><u>-</u></u>

ODESSA COLLEGE
EXPENDITURE VOUCHERS EXCEEDING \$10,000
July 23, 2019 - August 20, 2019

07/24/2019	Advantage USAA Inc	Roof Replacements - Pay Application #8 (Insurance Claim)	\$172,863.81
07/24/2019	Synetra, a Computex Technology Solu	3 Top end switches	\$17,444.00
07/24/2019	Atlas Rearden Inc.	Window Washing Campus Wide	\$22,316.13
07/24/2019	Lumen Inc	OER subscription - Spring 2019 enrollments	\$21,195.00
07/31/2019	GCA Services Group	Custodial Services	\$58,761.48
07/31/2019	G & G Construction	Interior and Exterior painting EST Building Renovation	\$49,050.00
07/31/2019	Synetra, a Computex Technology Solu	Campus firewall for security	\$23,100.00
07/31/2019	Stephen Cooper	Contract Instruction - Chevron CE Class Water-Gas-Oil	\$21,700.39
08/07/2019	JSA Architects	Sewell AutoTech - Pay Application #17	\$11,496.27
08/07/2019	Alberic J Robichaud	Contract Instruction - Chevron CE Class EIS Instrumentational	\$31,364.42
08/07/2019	Brex, LLC	Contract Instruction - Chevron CE Class EIS Instrumentational	\$11,550.00
08/07/2019	Dell Marketing L.P.	20 Computers for Extension Sites (PBWD Distance Learning Grant)	\$21,635.40
08/07/2019	Geary D. Umsted	Contract Instruction - Chevron CE Class Production Operator Field	\$12,000.00
08/14/2019	USI Southwest	Student professional liability insurance	\$10,956.00
08/14/2019	NRG Energy, Inc.	Electric Utilities - July	\$67,590.47
08/14/2019	First Service	Flushing tankless water heaters in Century Commons	\$19,583.87
08/14/2019	Snap-On Incorporated	Auto Diesel Hand Tools (Perkins Grant Funded)	\$12,978.41
08/14/2019	Acorn Glass Co.	Door installation Deaderick Hall - 2nd floor	\$13,790.00
08/14/2019	City of Odessa	Water & Sewer Utilities - July	\$13,212.85
08/14/2019	Ellucian Company, L.P.	ESSA Renewals - Colleague software	\$343,821.00
08/15/2019	Toya H. Bolton	25 Roping Calves for Rodeo Team	\$15,000.00



ODESSA COLLEGE
QUARTERLY INVESTMENT REPORT
 Quarter Ending: May 31, 2019



TEXAS PUBLIC FUNDS INVESTMENT ACT

To the best of my knowledge, the investment portfolio of the District, at May 31, 2019, and the investment transactions entered into during the quarter then ended are in compliance with the Texas Public Funds Investment Act.

The investments of the District comply with the investment objectives and strategies as expressed in the Odessa Junior College District Investment Policy.

All business organizations that have sold investments to Odessa College during the quarter have executed a written instrument stating that they meet the requirements of the District's Investment Policy.

Market Value Source: Frost Bank

Asset Class	Face Amount/Shares	Market Value	Book Value	% of Portfolio	YTM @ Cost	Days To Maturity
CDs	3,054,000.00	3,051,451.19	3,053,759.04	9.81	2.09	295
MM & Int Ckg	2,887,524.62	2,887,524.62	2,887,524.62	9.28	2.34	1
Muni Bonds	10,545,000.00	10,647,957.95	10,643,363.78	33.89	2.25	442
Public LGIP	14,632,023.86	14,632,023.86	14,632,023.86	47.02	2.55	1
Total / Average	31,118,548.48	31,218,957.62	31,216,671.30	100.00	2.39	179

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Brandy Ham

Brandy Ham, Chief Financial Officer

08/19/2019

Date

Kristi Gibbs

Kristi Gibbs, Controller

08/19/2019

Date

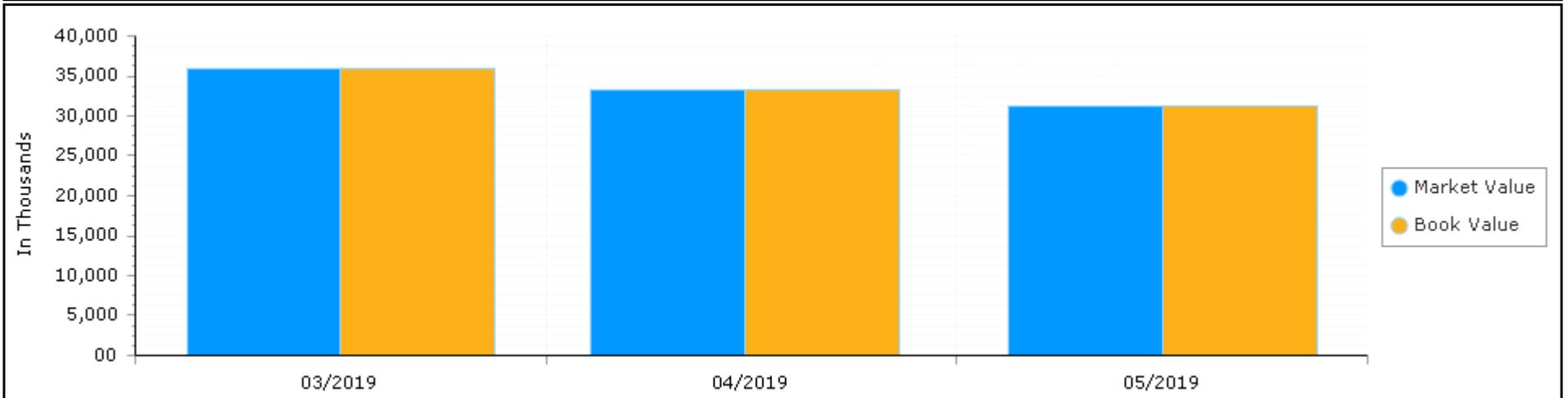


Odessa College Portfolio Summary by Month All Portfolios

Begin Date: 3/31/2019, End Date: 5/31/2019

Month	Market Value	Book Value	Unrealized Gain/Loss	YTM @ Cost	YTM @ Market	Duration	Days To Maturity
3/31/2019	35,875,723.73	35,897,337.39	-21,613.66	2.39	2.55	0.40	149
4/30/2019	33,216,286.21	33,238,113.22	-21,827.01	2.39	2.58	0.36	136
5/31/2019	31,218,957.62	31,216,671.30	2,286.32	2.39	2.52	0.47	179
Total / Average	33,436,989.19	33,450,707.30	-13,718.12	2.39	2.55	0.41	154

Market Value / Book Value Comparison





Odessa College Distribution by Asset Class - Market Value

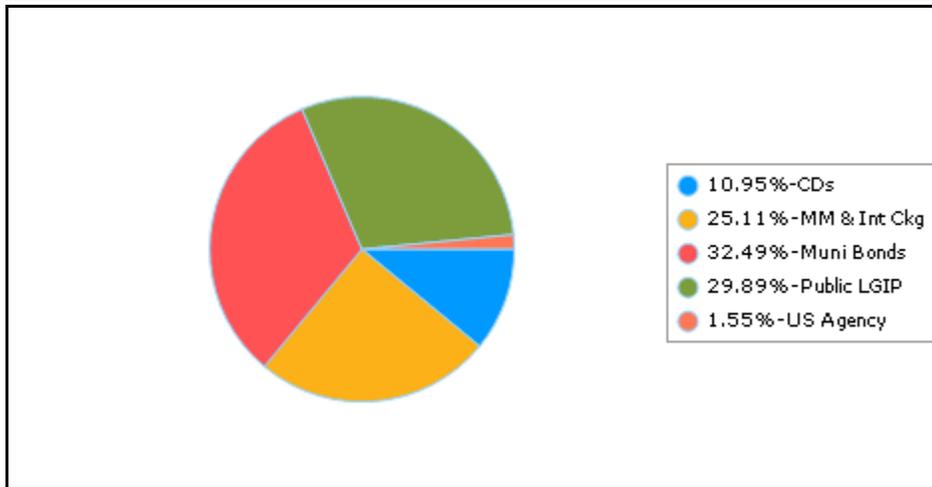
All Portfolios

Begin Date: 2/28/2019, End Date: 5/31/2019

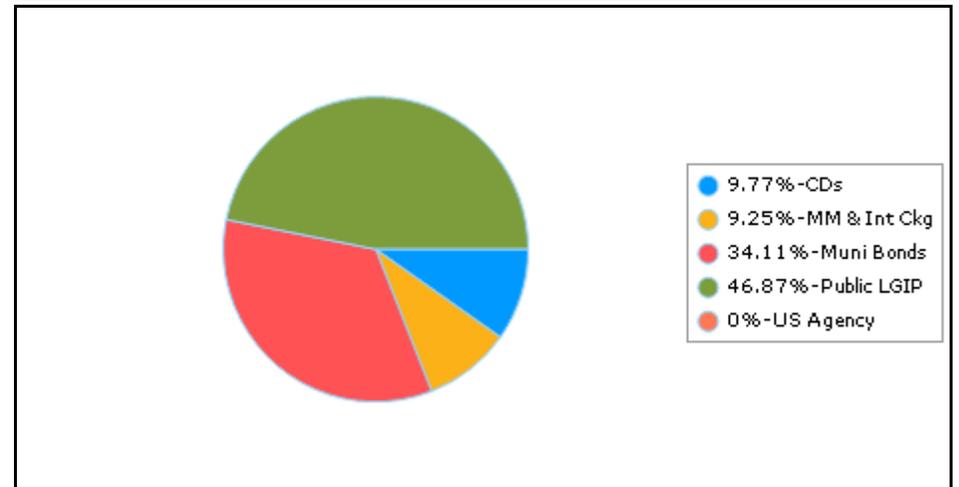
Asset Class Allocation

Asset Class	Market Value 2/28/2019	% of Portfolio 2/28/2019	Market Value 5/31/2019	% of Portfolio 5/31/2019
CDs	3,540,515.63	10.95	3,051,451.19	9.77
MM & Int Ckg	8,117,016.50	25.11	2,887,524.62	9.25
Muni Bonds	10,501,969.40	32.49	10,647,957.95	34.11
Public LGIP	9,661,814.69	29.89	14,632,023.86	46.87
US Agency	500,184.50	1.55	0.00	0.00
Total / Average	32,321,500.72	100.00	31,218,957.62	100.00

Portfolio Holdings as of 2/28/2019



Portfolio Holdings as of 5/31/2019





Odessa College Distribution by Asset Class - Market Value

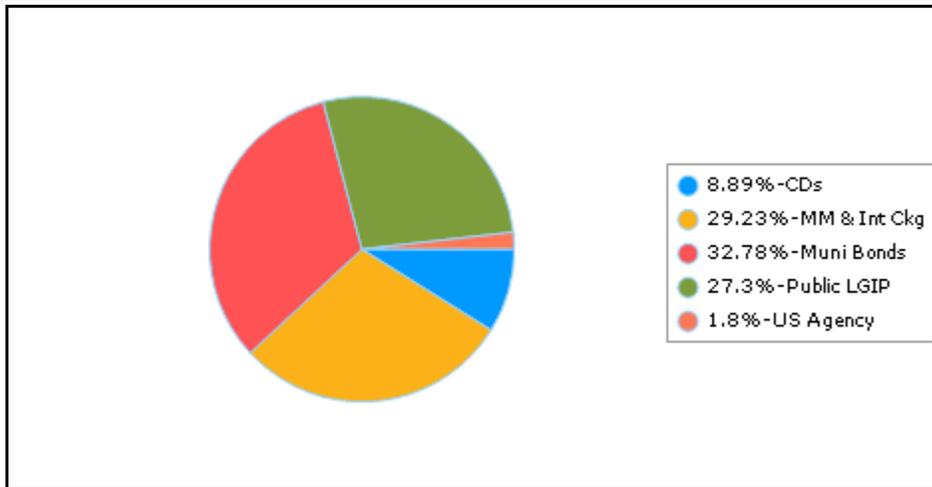
Fund Group: **Pooled Operating**

Begin Date: 2/28/2019, End Date: 5/31/2019

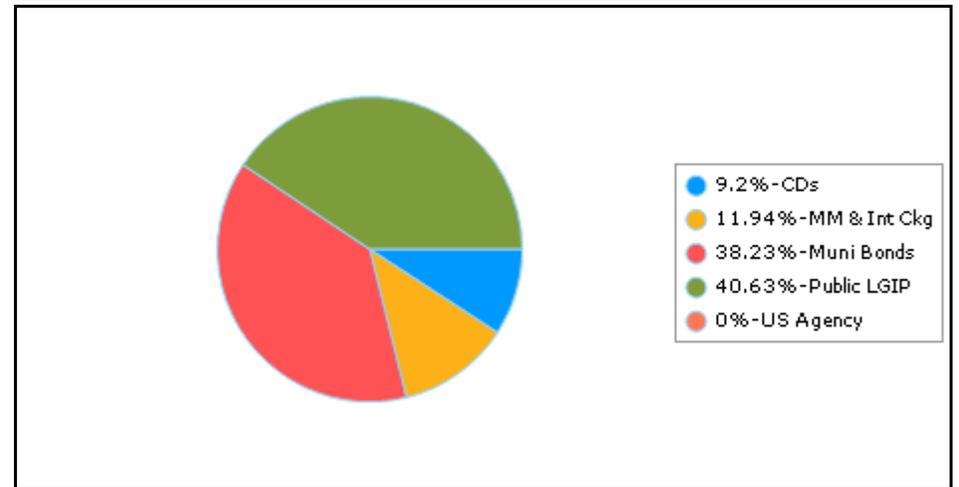
Asset Class Allocation

Asset Class	Market Value 2/28/2019	% of Portfolio 2/28/2019	Market Value 5/31/2019	% of Portfolio 5/31/2019
CDs	2,470,305.66	8.89	2,225,534.30	9.20
MM & Int Ckg	8,117,016.50	29.23	2,887,524.62	11.94
Muni Bonds	9,103,887.40	32.78	9,248,447.95	38.23
Public LGIP	7,581,626.02	27.30	9,827,042.82	40.63
US Agency	500,184.50	1.80	0.00	0.00
Total / Average	27,773,020.08	100.00	24,188,549.69	100.00

Portfolio Holdings as of 2/28/2019



Portfolio Holdings as of 5/31/2019





Odessa College Distribution by Asset Class - Market Value

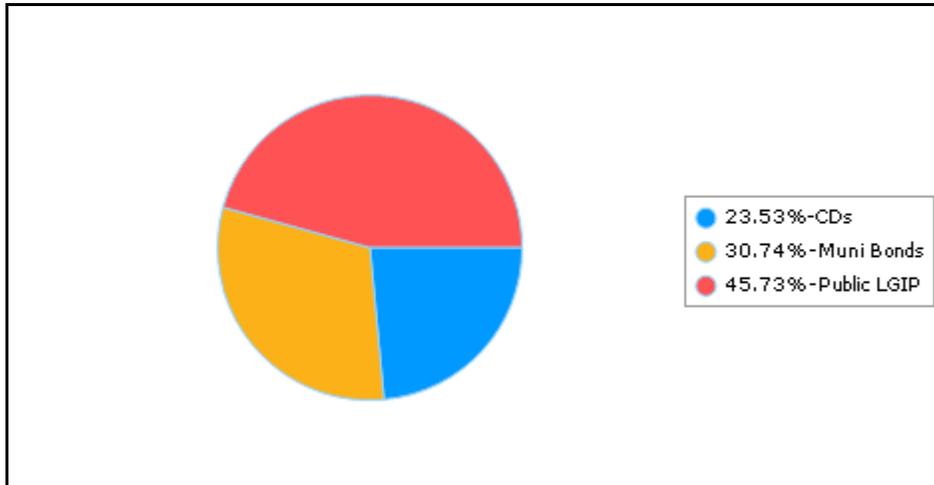
Fund Group: **Debt Service**

Begin Date: 2/28/2019, End Date: 5/31/2019

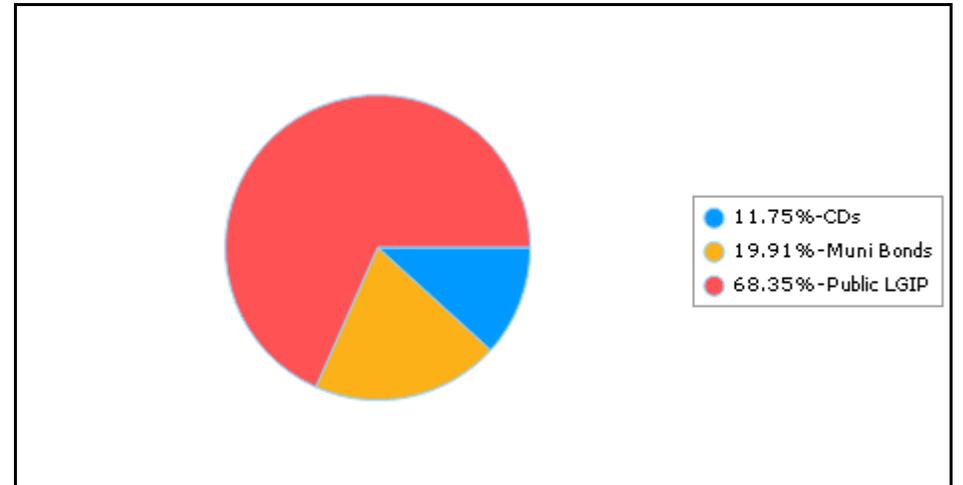
Asset Class Allocation

Asset Class	Market Value 2/28/2019	% of Portfolio 2/28/2019	Market Value 5/31/2019	% of Portfolio 5/31/2019
CDs	1,070,209.97	23.53	825,916.89	11.75
Muni Bonds	1,398,082.00	30.74	1,399,510.00	19.91
Public LGIP	2,080,188.67	45.73	4,804,981.04	68.35
Total / Average	4,548,480.64	100.00	7,030,407.93	100.00

Portfolio Holdings as of 2/28/2019



Portfolio Holdings as of 5/31/2019

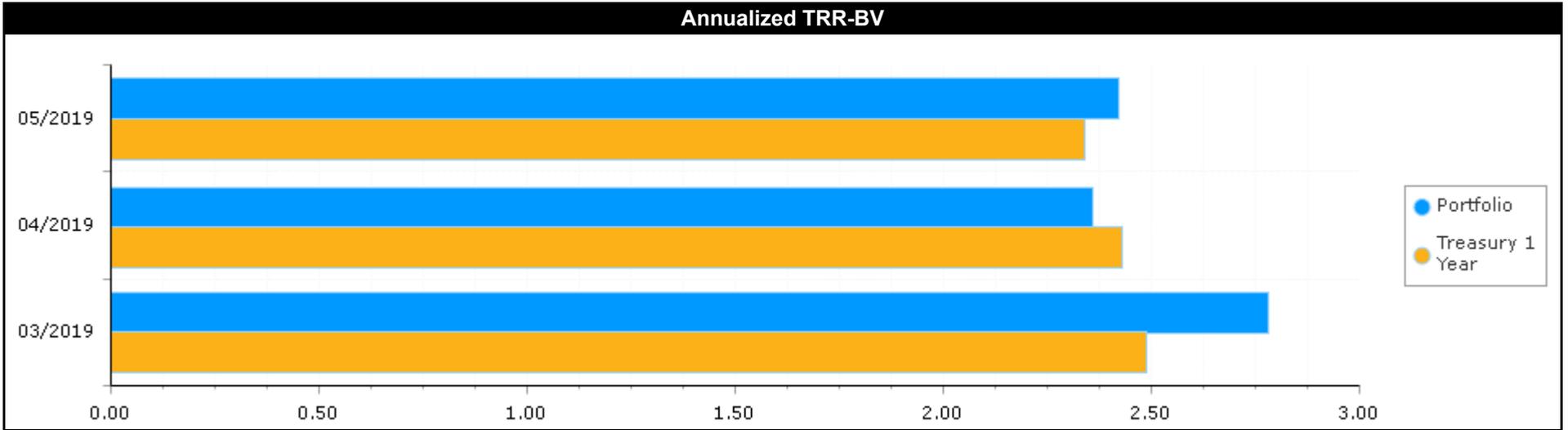




Odessa College Total Rate of Return - Book Value by Month All Portfolios

Begin Date: 3/31/2019, End Date: 5/31/2019

Month	Beginning BV + Accrued Interest	Interest Earned During Period-BV	Realized Gain/Loss-BV	Investment Income-BV	Average Capital Base-BV	TRR-BV	Annualized TRR-BV	Treasury 1 Year
3/31/2019	32,489,272.12	73,366.37	0.00	73,366.37	32,113,073.87	0.23	2.78	2.49
4/30/2019	36,021,598.83	68,850.74	385.92	69,236.66	35,590,846.85	0.19	2.36	2.43
5/31/2019	33,359,899.66	67,379.67	0.00	67,379.67	33,741,934.70	0.20	2.42	2.34



TRR-BV: Total Rate of Return - Book Value Benchmark: US Treasury 1 Year

Interest Earned: Quarterly \$ 209,983 / Fiscal YTD: \$ 484,781



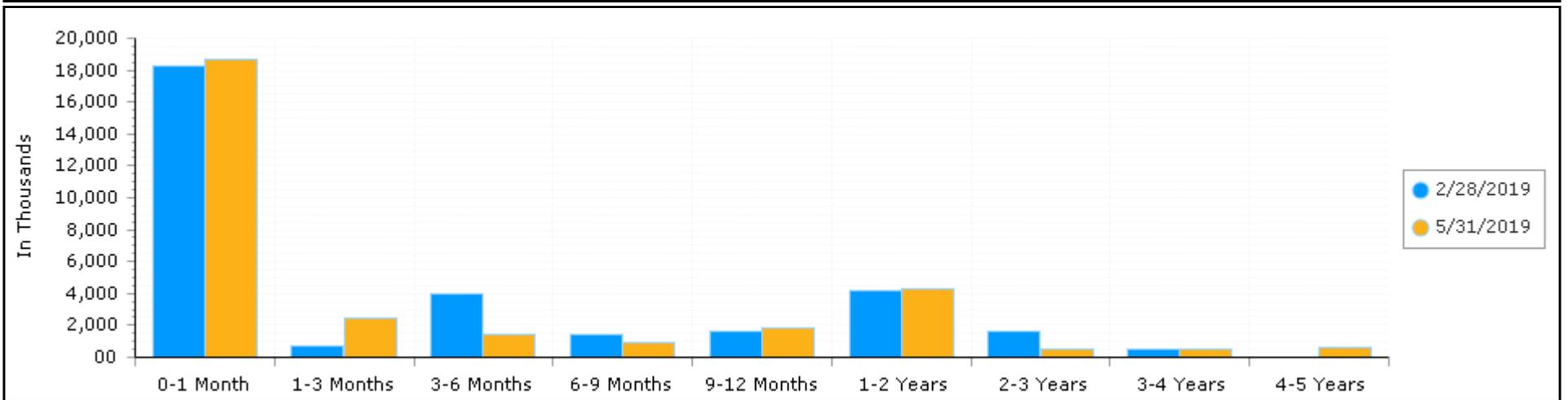
Odessa College Distribution by Maturity Range - Market Value All Portfolios

Begin Date: 2/28/2019, End Date: 5/31/2019

Maturity Range Allocation

Maturity Range	Market Value 2/28/2019	% of Portfolio 2/28/2019	Market Value 5/31/2019	% of Portfolio 5/31/2019
0-1 Month	18,273,809.14	56.54	18,715,350.70	59.95
1-3 Months	752,549.00	2.33	2,495,616.11	7.99
3-6 Months	3,933,191.22	12.17	1,384,262.96	4.43
6-9 Months	1,385,350.46	4.29	901,526.08	2.89
9-12 Months	1,610,561.61	4.98	1,830,147.91	5.86
1-2 Years	4,232,054.13	13.09	4,242,776.47	13.59
2-3 Years	1,616,078.80	5.00	539,419.25	1.73
3-4 Years	517,906.36	1.60	503,966.14	1.61
4-5 Years	0.00	0.00	605,892.00	1.94
Total / Average	32,321,500.72	100.00	31,218,957.62	100.00

Portfolio Holdings





Odessa College Portfolio Holdings by Portfolio Name All Portfolios

Date: 5/31/2019

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Debt Service - Fixed Income								
Barclays Bank 2.05 12/17/2019 06740KJC2	247,000.00	12/17/2014 2.05	247,000.00 247,000.00	99.82 2.38	246,562.14 2,288.98	0.79% -437.86	NR NR	200 0.54
Customers Bank PA 2.1 9/10/2019 23204HCA4	245,000.00	9/10/2014 2.10	245,000.00 245,000.00	99.88 2.51	244,712.72 1,155.86	0.78% -287.28	NR NR	102 0.28
Discover Bank DE 2.1 8/27/2019 2546714X5	245,000.00	8/27/2014 2.54	240,000.00 244,759.04	99.90 2.50	244,754.62 1,310.92	0.78% -4.42	NR NR	88 0.24
Fresno County CA 2.488 8/15/2019-18 358266CQ5	1,400,000.00	9/22/2015 2.40	1,404,536.00 1,400,242.26	99.97 2.64	1,399,510.00 10,256.09	4.49% -732.26	NR S&P-AA-	76 0.21
Signature Bank AR 1.6 9/27/2019 82669LFX6	90,000.00	9/29/2015 1.60	90,000.00 90,000.00	99.87 1.99	89,887.41 7.89	0.29% -112.59	NR NR	119 0.32
			2,226,536.00		2,225,426.89	7.13%		96
Sub Total Debt Service - Fixed Income	2,227,000.00	2.31	2,227,001.30	2.56	15,019.74	-1,574.41		0.26
Debt Service - Liquid Assets								
TexPool - Prime LGIP LGIP0003P	1,327,852.69	4/30/2017 2.55	1,327,852.69 1,327,852.69	100.00 2.55	1,327,852.69 0.00	4.25% 0.00	NR NR	1 0
TexPool - Prime LGIP LGIP0007P	389,863.97	4/30/2017 2.55	389,863.97 389,863.97	100.00 2.55	389,863.97 0.00	1.25% 0.00	NR NR	1 0
TexPool - Prime LGIP LGIP0005P	2,823,401.52	4/30/2017 2.55	2,823,401.52 2,823,401.52	100.00 2.55	2,823,401.52 0.00	9.04% 0.00	NR NR	1 0
TexPool - Prime LGIP LGIP0001P	260,862.86	4/30/2017 2.55	260,862.86 260,862.86	100.00 2.55	260,862.86 0.00	0.84% 0.00	NR NR	1 0
TexPool LGIP LGIP0002	3,000.00	4/30/2017 2.40	3,000.00 3,000.00	100.00 2.40	3,000.00 0.00	0.01% 0.00	NR NR	1 0
			4,804,981.04		4,804,981.04	15.39%		1
Sub Total Debt Service - Liquid Assets	4,804,981.04	2.55	4,804,981.04	2.55		0.00		0
Pooled Operating - Fixed Income								

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Odessa College Portfolio Holdings by Portfolio Name All Portfolios

Date: 5/31/2019

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Ally Bank 2 10/26/2020 02006L6F5	247,000.00	10/26/2017 2.00	247,000.00 247,000.00	99.34 2.48	245,376.72 473.70	0.79% -1,623.28	NR NR	514 1.39
Amarillo TX Economic Dev Corp 2.657 8/15/2023 023026CL9	600,000.00	5/8/2019 2.57	602,082.00 602,051.30	100.98 2.41	605,892.00 4,694.03	1.93% 3,840.70	S&P-AA- NR	1537 3.98
BMW Bank UT 1.95 5/22/2020 05580ABS2	247,000.00	5/22/2015 1.95	247,000.00 247,000.00	99.51 2.46	245,784.51 118.76	0.79% -1,215.49	NR NR	357 0.97
California Earthquake 2.805 7/1/2019-17 13017HAE6	210,000.00	6/2/2015 2.00	216,606.60 210,137.45	99.99 2.90	209,976.90 2,454.38	0.67% -160.55	Moody's-Aa3 NR	31 0.08
California State Gov Bonds 6.2 10/1/2019-18 13063A7G3	300,000.00	12/16/2014 2.00	357,279.00 304,025.90	101.24 2.44	303,705.00 3,100.00	0.97% -320.90	Moody's-Aa3 S&P-AA	123 0.33
Capital One VA 1.65 6/3/2019 1404203B4	248,000.00	6/1/2017 1.65	248,000.00 248,000.00	99.99 2.51	247,982.64 2,029.18	0.79% -17.36	NR NR	3 0.01
Capital One VA 1.95 7/15/2019 14042E4S6	247,000.00	7/15/2015 1.95	247,000.00 247,000.00	99.94 2.40	246,856.49 1,794.64	0.79% -143.51	NR NR	45 0.12
Cit Bank UT 2.1 11/13/2019 17284C3N2	247,000.00	11/13/2014 2.10	247,000.00 247,000.00	99.85 2.44	246,622.83 255.80	0.79% -377.17	NR NR	166 0.45
Communityone Bank NC 1.7 6/18/2019 204163BP3	248,000.00	6/27/2014 1.70	248,000.00 248,000.00	99.98 2.01	247,959.58 1,894.31	0.79% -40.42	NR NR	18 0.05
Denver Colo Pub Schs 2.168 12/15/2020 249218AT5	780,000.00	10/27/2017 2.00	783,946.80 781,944.10	99.71 2.36	777,730.20 7,797.57	2.5% -4,213.90	Moody's-Aa3 Fitch-AA	564 1.51
District Columbia 5.27 6/1/2020-19 25476FKZ0	500,000.00	6/25/2015 2.27	569,700.00 514,187.41	102.55 2.67	512,740.00 13,175.00	1.65% -1,447.41	Moody's-Aa1 S&P-AA	1 0.96
District Columbia 5.27 6/1/2020-19 25476FKZ0	355,000.00	7/31/2015 2.20	404,700.00 365,322.52	102.55 2.67	364,045.40 9,354.25	1.17% -1,277.12	Moody's-Aa1 S&P-AA	1 0.96



Odessa College Portfolio Holdings by Portfolio Name All Portfolios

Date: 5/31/2019

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
EL PASO TX TXBL REF GO UNLTD 3.112 8/15/2020 283734SX0	800,000.00	1/24/2019 2.65	805,592.00 804,343.87	100.90 2.35	807,224.00 7,330.49	2.58% 2,880.13	S&P-AA NR	442 1.18
Greater Orlando FL 3.733 10/1/2020 392274A97	250,000.00	10/9/2015 1.80	272,915.00 256,160.22	101.69 2.44	254,220.00 1,555.42	0.82% -1,940.22	Moodys-Aa3 S&P-AA-	489 1.31
Hale County TX 3 2/15/2023 405468CT4	250,000.00	5/7/2019 2.50	254,465.00 254,387.35	102.75 2.22	256,867.50 2,208.33	0.81% 2,480.15	S&P-AA- None	1356 3.51
Houston TTXBL Public Impt 2.17 3/1/2021 442331YU2	250,000.00	1/22/2019 2.75	247,045.00 247,540.70	99.63 2.39	249,067.50 1,356.25	0.79% 1,526.80	S&P-AA NR	640 1.72
HSBC Bank VA Step 11/17/2020-18 40434AC72	248,000.00	11/17/2015 2.33	248,000.00 248,000.00	100.76 2.56	249,896.95 294.88	0.79% 1,896.95	NR NR	536 1.44
Illinois State 2.23 6/15/2019-18 452227JH5	700,000.00	3/2/2016 1.40	718,578.00 700,232.22	99.98 2.72	699,860.00 7,197.94	2.24% -372.22	NR S&P-AA	15 0.04
JP MORGAN CHASE BANK 3.1 1/31/2023- 20 48128HBN7	246,000.00	1/31/2019 3.10	246,000.00 246,000.00	100.45 2.97	247,098.64 2,507.18	0.79% 1,098.64	NR NR	245 3.46
Kansas City MO 3.68 3/1/2020 485106GP7	500,000.00	8/8/2017 1.75	524,085.00 507,076.26	100.89 2.47	504,470.00 4,600.00	1.62% -2,606.26	Moodys-A1 S&P-AA-	275 0.74
Milwaukee WI TXBL Promissory 2.75 4/1/2021 602366XJ0	355,000.00	2/7/2019 2.75	355,000.00 355,000.00	100.60 2.41	357,119.35 1,627.08	1.14% 2,119.35	NR NR	671 1.79
Milwaukee Wisconsin 2.457 7/1/2019-18 602401AW1	395,000.00	6/16/2017 1.70	400,972.40 395,248.52	99.88 3.89	394,518.10 4,043.81	1.27% -730.42	NR S&P-A+	31 0.08
OHIO ST MAJOR NEW ST 4.418 6/15/2020 677581DV9	525,000.00	8/31/2018 2.80	539,700.00 533,563.76	101.91 2.55	535,011.75 10,695.24	1.71% 1,447.99	Moodys-Aa2 S&P-AA	381 1.01
Ohio State 4.621 3/1/2020-19 6775206N3	200,000.00	10/5/2015 2.00	221,996.00 203,759.42	101.55 2.51	203,108.00 2,310.50	0.65% -651.42	Moodys-Aa1 S&P-AA+	275 0.74



Odessa College Portfolio Holdings by Portfolio Name All Portfolios

Date: 5/31/2019

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
San Marcos ISD 5 8/1/2021 798781XT2	250,000.00	5/7/2019 2.40	264,042.50 263,629.99	105.73 2.28	264,317.50 4,166.67	0.84% 687.51	Moody's-Aa2 None	793 2.05
Sterling Bank MO 1.8 1/28/2020 85916VBZ7	249,000.00	8/28/2017 1.80	249,000.00 249,000.00	99.58 2.44	247,955.94 36.84	0.8% -1,044.06	NR NR	242 0.66
Texas A & M University 4 5/15/2021 88213ACH6	250,000.00	2/13/2018 2.40	262,445.00 257,496.36	103.45 2.19	258,620.00 444.44	0.82% 1,123.64	Moody's-Aaa S&P-AAA	715 1.9
Texas A&M University 2.246 5/15/2022 88213AEH4	275,000.00	11/7/2017 2.05	277,315.50 276,515.60	100.04 2.23	275,101.75 274.51	0.89% -1,413.85	Moody's-Aaa S&P-AAA	1080 2.87
Texas State 1.986 10/1/2019 882723PM5	500,000.00	5/19/2015 1.50	510,230.00 500,788.40	99.87 2.38	499,335.00 1,655.00	1.6% -1,453.40	Moody's-Aaa S&P-AAA	123 0.33
Tulsa Co ISD 3.125 6/1/2021 899593MA2	500,000.00	6/7/2018 2.87	503,475.00 503,475.00	101.70 2.25	508,510.00 15,625.00	1.61% 5,035.00	Moody's-Aa2 NR	732 1.9
University of Houston TX Univ Rev 5.05 2/15/2020 914301P26	400,000.00	12/11/2018 2.80	410,336.00 406,235.17	101.75 2.52	407,008.00 5,947.78	1.3% 772.83	Moody's-Aa2 S&P-AA	260 0.69
Sub Total Pooled Operating - Fixed Income	11,372,000.00	2.20	11,729,506.80 11,470,121.52	2.50	11,473,982.25 121,018.98	36.7% 3,860.73		419 1.24
Pooled Operating - Liquid Assets								
BBVA Compass - Checking MM MM0597	34,215.43	5/31/2017 2.48	34,215.43 34,215.43	100.00 2.48	34,215.43	0.11% 0.00	NR NR	1 0
Invesco MM MM1215	2,853,309.19	4/30/2018 2.34	2,853,309.19 2,853,309.19	100.00 2.34	2,853,309.19	9.14% 0.00	NR NR	1 0
LOGIC LGIP LGIP7010	3,822,527.78	4/30/2017 2.54	3,822,527.78 3,822,527.78	100.00 2.54	3,822,527.78	12.25% 0.00	NR NR	1 0
Lone Star LGIP LGIP8501	44,295.55	4/30/2017 2.40	44,295.55 44,295.55	100.00 2.40	44,295.55	0.14% 0.00	NR NR	1 0



Odessa College
Portfolio Holdings by Portfolio Name
All Portfolios

Date: 5/31/2019

Description CUSIP	Face Amount / Shares	Settlement Date YTM @ Cost	Cost Value Book Value	Market Price YTM @ Market	Market Value Accrued Interest	% Portfolio Unre. Gain/Loss	Credit Rating Credit Rating	Days To Call/Maturity Duration To Maturity
Lone Star LGIP LGIP8501P	5,385,826.03	4/30/2017 2.57	5,385,826.03	100.00 2.57	5,385,826.03	17.25% 0.00	NR NR	1 0
TexPool - Prime LGIP LGIP0002P	497,916.23	4/30/2017 2.55	497,916.23	100.00 2.55	497,916.23	1.6% 0.00	NR NR	1 0
TexPool LGIP LGIP0002	76,477.23	4/30/2017 2.40	76,477.23	100.00 2.40	76,477.23	0.24% 0.00	NR NR	1 0
Sub Total Pooled Operating - Liquid Assets	12,714,567.44	2.51	12,714,567.44	2.51	12,714,567.44	40.73% 0.00		1 0
TOTAL PORTFOLIO	31,118,548.48	2.39	31,216,671.30	2.52	31,218,957.62 136,038.72	100.00% 2,286.32		161 0.47