

APPRAISAL OF



LOCATED AT:

1308 W. Broadway Street  
Butte, MT 59701-8904

FOR:

Montana Tech  
1300 W. Park Street  
Butte, MT 59701

BORROWER:

Not Applicable

AS OF:

October 6, 2009

BY:

Renee' Neary  
Neary Appraisal Service

10/11/2009

Frank Gilmore  
Montana Tech  
1300 W. Park Street  
Butte, MT 59701

File Number: BBROADWAY1308

Dear Mr. Gilmore:

In accordance with your request, I have appraised the real property at:

1308 W. Broadway Street  
Butte, MT 59701-8904

The purpose of this appraisal is to develop an opinion of the market value of the subject property, as improved. The property rights appraised are the fee simple interest in the site and improvements.

In my opinion, the market value of the property as of October 6, 2009 is:

\$75,000  
Seventy-Five Thousand Dollars

The attached report contains the description, analysis and supportive data for the conclusions, final opinion of value, descriptive photographs, limiting conditions and appropriate certifications.

Thank you for the opportunity to serve your needs in Butte.



Renee' Neary  
Neary Appraisal Service

Uniform Residential Appraisal Report

BBROADWAY1308
File No. BBROADWAY1308

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.

Property Address 1308 W. Broadway Street
City Butte State MT Zip Code 59701-8904
Borrower Not Applicable Owner of Public Record Reed James L County Silver Bow
Legal Description Fairview Add Lots 4 thru 7 Block 14
Assessor's Parcel # 1214100 Tax Year 2008 R.E. Taxes \$ 1500.00
Neighborhood Name MT Tech area Map Reference 01119714114740000 Census Tract 0002.00
Occupant [X] Owner [ ] Tenant [ ] Vacant Special Assessments \$ None [ ] PUD HOA \$ 0.00 [ ] per year [ ] per month
Property Rights Appraised [X] Fee Simple [ ] Leasehold [ ] Other (describe)
Assignment Type [ ] Purchase Transaction [ ] Refinance Transaction [X] Other (describe) Market evaluation for potential purchase purpose.
Lender/Client Montana Tech Address 1300 W. Park Street, Butte, MT 59701
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? [ ] Yes [X] No
Report data source(s) used, offering price(s), and date(s). MLS/Owner

I [ ] did [ ] 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.
NA
Contract Price \$ NA Date of Contract NA Is the property seller the owner of public record? [ ] Yes [ ] No Data Source(s) NA
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? [ ] Yes [ ] No
If Yes, report the total dollar amount and describe the items to be paid. NA

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 [X] Urban [ ] Suburban [ ] Rural Property Values [ ] Increasing [X] Stable [ ] Declining PRICE AGE One-Unit 10% %
Built-Up [X] Over 75% [ ] 25-75% [ ] Under 25% Demand/Supply [ ] Shortage [X] In Balance [X] Over Supply \$(000) (yrs) 2-4 Unit %
Growth [ ] Rapid [ ] Stable [X] Slow Marketing Time [ ] Under 3 mths [ ] 3-6 mths [X] Over 6 mths 10 Low NEW Multi-Family %
Neighborhood Boundaries Subject is surrounded by Granite to the North, Excelsior to the east, 400 High 120 Commercial %
Park Street to the south, and Ophir to the west. 84 Pred. 40 Other college 90% %
Neighborhood Description This is a competitive market area with no negative changes that would influence marketability. The changes to the neighborhood affect marketability in a positive way. The neighborhood blends well with adjoining neighborhoods and has thus expanded the marketing area for the subject property.
Market Conditions (including support for the above conclusions) See Attached Addendum.

Dimensions Unknown Area 12000 Sq.Ft. Shape Rectangular View Average
Specific Zoning Classification E1 Zoning Description Public College
Zoning Compliance [ ] Legal [X] Legal Nonconforming (Grandfathered Use) [ ] No Zoning [ ] Illegal (describe)
Is the highest and best use of the subject property as improved (or as proposed per plans and specifications) the present use? [X] Yes [ ] No If No, describe. Zoning
regulations were effected after the property was constructed or the non-compliant use began.
Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private
Electricity [X] [ ] Water [X] [ ] Street Asphalt [X] [ ]
Gas [X] [ ] Sanitary Sewer [X] [ ] Alley None [ ] [ ]
FEMA Special Flood Hazard Area [ ] Yes [X] No FEMA Flood Zone C FEMA Map # 300077 0179D FEMA Map Date 02/23/1982
Are the utilities and off-site improvements typical for the market area? [X] Yes [ ] No If No, describe.
Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)? [X] Yes [ ] No If Yes, describe. The subject, upon any future ownership transfer, is most desirable for rental income purposes or as an addition to the existing public college.
External factors of land use is expected to have an adverse affect on market value and marketability to the typical buyer.

GENERAL DESCRIPTION FOUNDATION EXTERIOR DESCRIPTION materials/condition INTERIOR materials/condition
Units [X] One [ ] One with Accessory Unit [ ] Concrete Slab [ ] Crawl Space Foundation Walls Concrete/Avg Floors Wood/Avg
# of Stories TWO [X] Full Basement [ ] Partial Basement Exterior Walls Brick/Wood/Avg Walls Plaster/Avg
Type [X] Det. [ ] Att. [ ] S-Det./End Unit Basement Area 1200 sq. ft. Roof Surface Asphalt/Fair Trim/Finish Wood/Avg
[X] Existing [ ] Proposed [ ] Under Const. Basement Finish 0 % Gutters & Downspouts Yes/Avg Bath Floor Wood/Avg
Design (Style) Two Story [ ] Outside Entry/Exit [ ] Sump Pump Window Type Dble hung/Avg Bath Wainscot None
Year Built 1913 Evidence of [ ] Infestation Storm Sash/Insulated Yes/Avg Car Storage [ ] None
Effective Age (Yrs) 25 [ ] Dampness [ ] Settlement Screens Yes/Avg [X] Driveway # of Cars 2
Attic [ ] None Heating [ ] FWA [ ] HWBB [X] Radiant Amenities [X] WoodStove(s) # 1 Driveway Surface Asphalt
[X] Drop Stair [ ] Stairs [ ] Other Fuel Gas [ ] Fireplace(s) # [X] Fence [X] Garage # of Cars 1+
[ ] Floor [X] Scuttle Cooling [ ] Central Air Conditioning [X] Patio/Deck [X] Porch [ ] Carport # of Cars
[ ] Finished [ ] Heated [ ] Individual [ ] Other [ ] Pool [ ] Other [ ] Att. [X] Det. [ ] Built-in
Appliances [X] Refrigerator [X] Range/Oven [ ] Dishwasher [ ] Disposal [ ] Microwave [ ] Washer/Dryer [ ] Other (describe)

Finished area above grade contains: 9 Rooms 3 Bedrooms 1 Bath(s) 2,400 Square Feet of Gross Living Area Above Grade
Additional features (special energy efficient items, etc.) See interior photos for quality and condition.
Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.). The overall condition of the property is average to fair. All homes could use some degree of repair, renovations or remodeling and all show some degree of deterioration. The subject shows normal depreciation (wear) for its effective age.
Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property? [X] Yes [ ] No If Yes, describe. A formal home inspection by a licensed home inspector may uncover a deficiency that would be unnoticeable to the appraiser. The rear side of home shows deferred maintenance on the roof as seen in the photo.
Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)? [X] Yes [ ] No If No, describe. The subject does generally conform to the surrounding neighborhood within a 1 mile radius of other single family residences. The use, however, does not conform to the immediate surrounding area of public college structures.

# Uniform Residential Appraisal Report

BBROADWAY1308  
File No. BBROADWAY1308

There are comparable properties currently offered for sale in the subject neighborhood ranging in price from \$		to \$	
There are comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$		to \$	
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2
1308 W. Broadway Street Address Butte	934 Copper BUTTE, MT 59701	1125 W. Woolman BUTTE, MT 59701-2725	814 Copper Butte, MT 59701-3752
Proximity to Subject	0.27 miles NE	0.27 miles NNE	0.37 miles ENE
Sale Price	\$ NA	\$ 78,000	\$ 69,000
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 45.22 sq. ft.	\$ 29.69 sq. ft.
Data Source(s)	Inspection	MLS#81330	MLS#90212
Verification Source(s)	Public Records	Cadastral/Drive By	Cadastral/Drive By
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	NA	Cash	FHA
Concessions	NA	None Noted	None Noted
Date of Sale/Time	NA	11/26/2008	08/04/2009
Location	Urban	Urban	Urban
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	12000 Sq.Ft.	4030 Sq. Ft. +4,000	3500 Sq. Ft. +4,000
View	Average	Average	Average
Design (Style)	Two Story	Two Story	Two Story
Quality of Construction	Average	Average	Average
Actual Age	96+/- Years	111 Yrs.	109 Yrs.
Condition	Average	Average	Average
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	9 3 1	6 3 1	7 3 1
Gross Living Area	7 2,400 sq. ft.	1,725 sq. ft. +4,700	2,324 sq. ft. 0
Basement & Finished Rooms Below Grade	Full/1200 Sq.Ft. Unfinished	Partial/325 None	Crawl Space None +2,400
Functional Utility	Average	Average	Average
Heating/Cooling	HW Radiant	FWA	Gas Space FWA
Energy Efficient Items	General Const.	General Const.	General Const.
Garage/Carport	1+ Car Garage	1 Car Garage	1 Car Garage 2 Car Garage -2,000
Porch/Patio/Deck	Patio/Porch	Patio/Porch	Patio/Porch
Net Adjustment (Total)	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 10,500	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 6,400	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$ 2,200
Adjusted Sale Price of Comparables	Net Adj. 13.5 % Gross Adj. 13.5 % \$ 88,500	Net Adj. 9.3 % Gross Adj. 9.3 % \$ 75,400	Net Adj. 3.2 % Gross Adj. 17.8 % \$ 70,700

I  did  did not research the sale or transfer history of the subject property and comparable sales. If not, explain Montana is a non-disclosure state. Sales history is only available through MLS - and Butte MLS purges records too often to go back 3 years. Even if there were prior sales, that information is not made available. The only sales history available are recent sales or appraisers personal database.

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) MLS

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) Prior records

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	Not disclosed	04/03/2007	Not disclosed	Not disclosed
Price of Prior Sale/Transfer				
Data Source(s)	MLS/Appraiser Files	MLS#61455	MLS/Appraiser Files	MLS/Appraiser Files
Effective Date of Data Source(s)	10/11/2009	10/11/2009	10/11/2009	10/11/2009

Analysis of prior sale or transfer history of the subject property and comparable sales No prior sales history information available. The Cost Approach represents a higher value because the Marshall & Swift guideline is just that, a guideline. Currently, it is more costly to build in comparison to what current market conditions reflect. Therefore, the cost approach is more than 10% higher what the market reflects for this larger than typical property.

Summary of Sales Comparison Approach. The adjusted values of comparable sales range from \$70,700 to \$88,500. In consideration of the location of the subject, the size of the subject, the degree of deferred maintenance and the few comparables available, comparable #2 which represents a mid-range value and is most similar in overall size, was given the greatest weight. Value of opinion is "As is".

Indicated Value by Sales Comparison Approach \$ 75,000

Indicated Value by: Sales Comparison Approach \$ 75,000 Cost Approach (if developed) \$ 111,000 Income Approach (if developed) \$ NA

Most weight is given to the sales comparison approach which is well supported by the cost approach. See Comment Addendum for explanation. Income Approach was not used as there is little information available to derive an estimate of market rents. Comparable Sales Approach reflects the interaction of buyers and sellers. "As is".

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: See Limiting Conditions.

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 \$ 75,000 as of 10/06/2009, which is the date of inspection and the effective date of this appraisal.

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Taxes are estimated based overall knowledge of typical taxes for the area.
ADDITIONAL COMMENTS

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) MLS - comparables are in work file. The appraiser searches MLS for the specific neighborhood within a 0-1 acre parcel back 2 years or as far back as necessary to obtain and evaluate at least two sales or more for an accurate valuation.
ESTIMATED [ ] REPRODUCTION OR [X] REPLACEMENT COST NEW
OPINION OF SITE VALUE ..... = \$ 15,000
Source of cost data Marshall & Swift & Local Costs Dwelling 2,400 Sq. Ft. @ \$ 70.00 ..... = \$ 168,000
Quality rating from cost service Average Effective date of cost data 12/2008 Bsm: 1200 Sq. Ft. @ \$ 5.00 ..... = \$ 6,000
Comments on Cost Approach (gross living area calculations, depreciation, etc.)
Replacement costs are derived from Marshall & Swift . Garage/Carport 400 Sq. Ft. @ \$ 5.00 ..... = \$ 2,000
RESIDENTIAL COST HANDBOOK Physical depreciation is Total Estimate of Cost-New ..... = \$ 176,000
calculated by age/life technique automatically by ACI Software. Less 55 Physical Functional External
Depreciation \$80,000 ..... = \$ ( 80,000)
55 years economic life -25 years effective age = 30 remaining Depreciated Cost of Improvements ..... = \$ 96,000
economic life. \*As-is" Value of Site Improvements ..... = \$
Estimated Remaining Economic Life (HUD and VA only) 30 Years INDICATED VALUE BY COST APPROACH ..... = \$ 111,000

INCOME APPROACH TO VALUE (not required by Fannie Mae)

Estimated Monthly Market Rent \$ X Gross Rent Multiplier = \$ N/A Indicated Value by Income Approach
Summary of Income Approach (including support for market rent and GRM)

PROJECT INFORMATION FOR PUDs (if applicable)

Is the developer/builder in control of the Homeowners' Association (HOA)? [ ] Yes [ ] No Unit type(s) [ ] Detached [ ] 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? [ ] Yes [ ] No If Yes, date of conversion.
Does the project contain any multi-dwelling units? [ ] Yes [ ] No Data source(s)
Are the units, common elements, and recreation facilities complete? [ ] Yes [ ] No If No, describe the status of completion.
Are the common elements leased to or by the Homeowners' Association? [ ] Yes [ ] No If Yes, describe the rental terms and options.
Describe common elements and recreational facilities.

# Uniform Residential Appraisal Report

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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.

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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).
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.

**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 *Renee P Neary*  
 Name Renee' Neary  
 Company Name Neary Appraisal Service  
 Company Address 4403 Bull Run  
Butte, MT 59701  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature and Report 10/11/2009  
 Effective Date of Appraisal 10/06/2009  
 State Certification # \_\_\_\_\_  
 or State License # 643RAL  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State MT  
 Expiration Date of Certification or License 03/31/2010

ADDRESS OF PROPERTY APPRAISED  
1308 W. Broadway Street  
Butte, MT 59701-8904

APPRAISED VALUE OF SUBJECT PROPERTY \$ 75,000

LENDER/CLIENT  
 Name Frank Gilmore  
 Company Name Montana Tech  
 Company Address 1300 W. Park Street  
Butte, MT 59701  
 Email Address \_\_\_\_\_

**SUPERVISORY APPRAISER (ONLY IF REQUIRED)**

Signature \_\_\_\_\_  
 Name \_\_\_\_\_  
 Company Name \_\_\_\_\_  
 Company Address \_\_\_\_\_  
 Telephone Number \_\_\_\_\_  
 Email Address \_\_\_\_\_  
 Date of Signature 05/03/2009  
 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 \_\_\_\_\_



Uniform Residential Appraisal Report

BBROADWAY1308
File No. BBROADWAY1308

Main appraisal form with columns for Feature, Subject, Comparable Sale No. 4, 5, and 6. Includes sections for Value Adjustments, Sales Comparison Approach, and various property details.

SALES COMPARISON APPROACH

# Uniform Residential Appraisal Report

BBROADWAY1308  
File No. BBROADWAY1308

FEATURE	SUBJECT	COMPARABLE SALE NO. 7	COMPARABLE SALE NO. 8	COMPARABLE SALE NO. 9
1308 W. Broadway Street Address Butte				
Proximity to Subject				
Sale Price	\$ NA	\$	\$	\$
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ sq. ft.	\$ sq. ft.	\$ sq. ft.
Data Source(s)	Inspection			
Verification Source(s)	Public Records			
<b>VALUE ADJUSTMENTS</b>	<b>DESCRIPTION</b>	<b>DESCRIPTION</b>	<b>+</b> (-) \$ Adjustment	<b>DESCRIPTION</b>
Sale or Financing	NA			
Concessions	NA			
Date of Sale/Time	NA			
Location	Urban			
Leasehold/Fee Simple	Fee Simple			
Site	12000 Sq.Ft.			
View	Average			
Design (Style)	Two Story			
Quality of Construction	Average			
Actual Age	96+/- Years			
Condition	Average			
Above Grade	Total Bdrms Baths	Total Bdrms Baths		Total Bdrms Baths
Room Count	9 3 1			
Gross Living Area	7 2,400 sq. ft.	sq. ft.	sq. ft.	sq. ft.
Basement & Finished Rooms Below Grade	Full/1200 Sq.Ft. Unfinished			
Functional Utility	Average			
Heating/Cooling	HW Radiant			
Energy Efficient Items	General Const.			
Garage/Carport	1+ Car Garage			
Porch/Patio/Deck	Patio/Porch			
Net Adjustment (Total)		<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$	0	<input checked="" type="checkbox"/> + <input type="checkbox"/> - \$
Adjusted Sale Price of Comparables		Net Adj. 0.0% Gross Adj. 0.0% \$	0	Net Adj. 0.0% Gross Adj. 0.0% \$
Summary of Sales Comparison Approach				
ITEM	SUBJECT	COMPARABLE SALE NO. 7	COMPARABLE SALE NO. 8	COMPARABLE SALE NO. 9
Date of Prior Sale/Transfer	Not disclosed			
Price of Prior Sale/Transfer				
Data Source(s)	MLS/Appraiser Files			
Effective Date of Data Source(s)	10/11/2009			
<p>Summary of Sales Comparison Approach Comparables 7,8,9 were added as sales that closed within the last 3 months to further support value for the subject. The underwriter stated the subject is in a declining market - however the subject and Butte are not a declining area, but rather market activity has declined. Sales prices that have occurred are still within the same range as seen in other sales the last year or two .</p>				

## ADDENDUM

Borrower: Not Applicable		File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street		Case No.: BBROADWAY1308
City: Butte	State: MT	Zip: 59701-8904
Lender: Montana Tech		

### Adverse Environmental Conditions

Unless otherwise stated in this report, the existence of hazardous materials and/or electromagnetic emissions, which may or may not be present on the property, was not observed by the appraisers. The appraiser has no such knowledge of the existence of such materials on or in the subject property or in the properties of the subject neighborhood. The appraiser is not qualified to detect such substances. The presence of substances such as asbestos, urea formaldehyde foam insulation, radon or other potentially hazardous materials may affect the value of the property. The value opinion expressed is predicated on the assumption that there is no such material on or in the property, that would cause a loss in value. No responsibility is assumed for any such conditions or for any expertise or engineering knowledge required to discovering them. The customer is urged to retain an expert in this field if desired.

### Legal Description

Western Heights Lots 14 Thru 17 Block 7 and E2 OF POR OF Prospect AVE ABUTTING Lot 14 Block 7 of Western Heights ADDITION

### Neighborhood Market Conditions

There appears to be adequate lending available at acceptable rates. There are a variety of small employers, making the area more desirable. Lower interest rates keep the market active. Subject neighborhood has good public utility system, and good police and fire protection. Property's compatibility is compatible with those single family residences within a 1 mile radius. The subject is not compatible in its present state with commercial or public college structures.

### Conditions of the Report

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.

### Extra Comments

This report is intended to be a summary appraisal report as defined in Standard 2-2(b) of the Uniform Standards of Professional Appraisal Practice.

The appraisal process consists of the cost approach, the sales approach and the income approach (if applicable).

The sales comparison approach was completed using the most recent homes of similar age/effective age, quality of construction, condition, functional utility and value range with consideration given for lot size and value as compared to the subject. All sales are from the immediate neighborhood or similar competing neighborhood. Each sale was compared to the subject and adjustments were used to make comparable sales equal to the subject based on local market acceptance of amenities through a paired analysis and the appraisers knowledge of the area over the previous years. Gross and net percentage adjustments required are given major consideration before the appraiser's final estimate of value. Each comparable sale is then weighted based on comparison to the subject and then a final estimate of value is determined.

"Site adjustments" are based on an analysis of local land sales, listing data, land abstraction and the appraiser's knowledge of the area. Depending on the neighborhood, site adjustment may not be needed as some areas show a value for the building site but the market does not show a dollar variation for difference in actual square feet of the site. Other areas require an adjustment based on paired analysis and lots will normally be adjusted at \$1.00 per square foot difference but may be adjusted to as little as \$.25 per square foot. In this market site adjustments are based on the site value rather than size or price per acre. This method was used due to the location differences among the comparables used.

"Room count adjustments" may be used for some comparable sales and will be fully explained under "comments on comparable sales. The difference in baths will normally range from \$500 to \$1500 for ½ bath to \$1000 to \$2000 for a full bath depending on quality of construction.

"GLA adjustments" will vary from \$7.00 per sq. ft to about \$30.00 per sq. ft depending on type of dwelling, quality of construction and condition. Manufactured housing may be adjusted less. Excellent quality may be more than \$30.00.

"Basement adjustment" will normally range from \$2.00 per sq. ft. to \$10.00 per sq. .ft depending on quality of construction.

"Basement finish" adjustment will vary depending on quality of construction and type of rooms. Normally room adjustments will range from \$1000 to \$2000.

"Garage/carport" adjustments are normally \$1000 to \$5000 per car storage unit depending on size and quality of construction.

All adjustments shown above are based on paired analysis from previous appraisals and sales, discussions with local real estate brokers and agents and the appraiser's knowledge of the market area. The above list is not intended to be all-inclusive but a guideline of the normal adjustments which may be utilized in the sales comparison grid.

This appraisal report contains digital signatures. The software program used to generate this appraisal report contains a digital signature security feature which utilizes personal passwords to protect digital signatures. Each appraiser has sole personalized control of affixing their digital signature to a report. The appraisal report can not be modified without the permission of every appraiser who has signed the report. Electronically affixing a signature to a report carries the same level of authenticity and responsibility as an ink signature on a paper copy report.

ADDENDUM

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Property Address: 1308 W. Broadway Street		Case No.: BBROADWAY1308
City: Butte	State: MT	Zip: 59701-8904
Lender: Montana Tech		



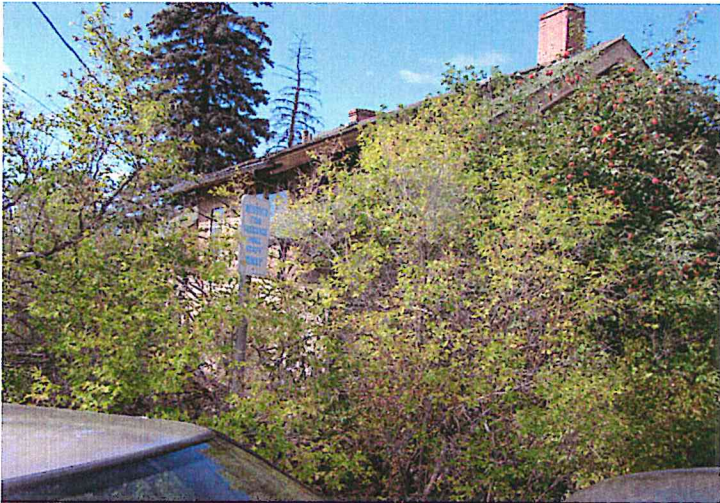
SUBJECT PROPERTY PHOTO ADDENDUM

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
Lender: Montana Tech	Zip: 59701-8904



FRONT VIEW OF  
SUBJECT PROPERTY

Appraised Date: October 6, 2009  
Appraised Value: \$ 75,000



REAR VIEW OF  
SUBJECT PROPERTY



STREET SCENE

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
Lender: Montana Tech	Zip: 59701-8904



COMPARABLE SALE #1

934 Copper  
BUTTE, MT 59701  
Sale Date: 11/26/2008  
Sale Price: \$ 78,000



COMPARABLE SALE #2

1125 W. Woolman  
BUTTE, MT 59701-2725  
Sale Date: 08/04/2009  
Sale Price: \$ 69,000



COMPARABLE SALE #3

814 Copper  
Butte, MT 59701-3752  
Sale Date: 02/01/2009  
Sale Price: \$ 68,500

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: Not Applicable	File No.: BBROADWAY1308	
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308	
City: Butte	State: MT	Zip: 59701-8904
Lender: Montana Tech		



COMPARABLE SALE #4

909 Copper  
Butte  
Sale Date: 09/18/2009  
Sale Price: \$ 65,500

COMPARABLE SALE #5

Sale Date:  
Sale Price: \$

COMPARABLE SALE #6

Sale Date:  
Sale Price: \$

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
Lender: Montana Tech	Zip: 59701-8904



Front showing side view



Other side view



Roof view



Borrower: Not Applicable

Property Address: 1308 W. Broadway Street

City: Butte

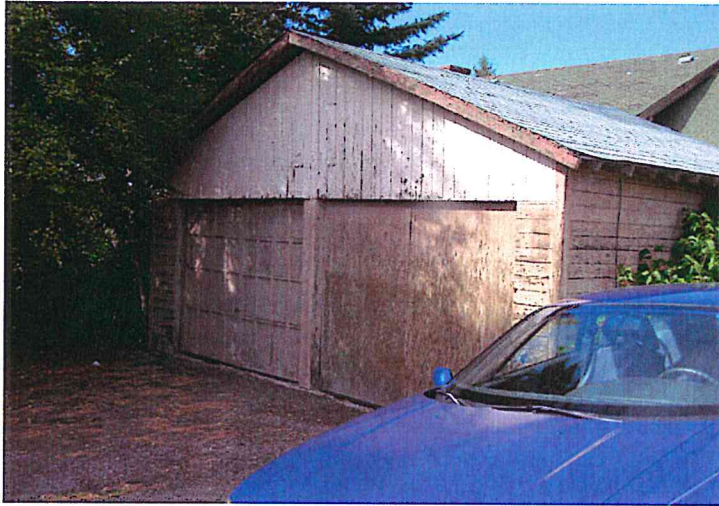
Lender: Montana Tech

File No.: BBROADWAY1308

Case No.: BBROADWAY1308

State: MT

Zip: 59701-8904



Garage



Dining room



Living room area

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
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Kitchen Area



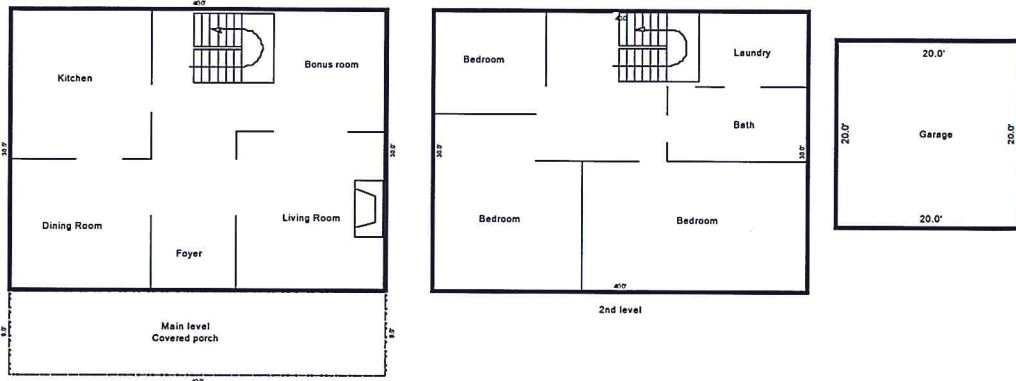
Basement utility area



2nd level laundry area

FLOORPLAN

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
Lender: Montana Tech	Zip: 59701-8904



Basement is full unfinished/cellar/storage/utility

Seibby/Asm/MT

Comments:

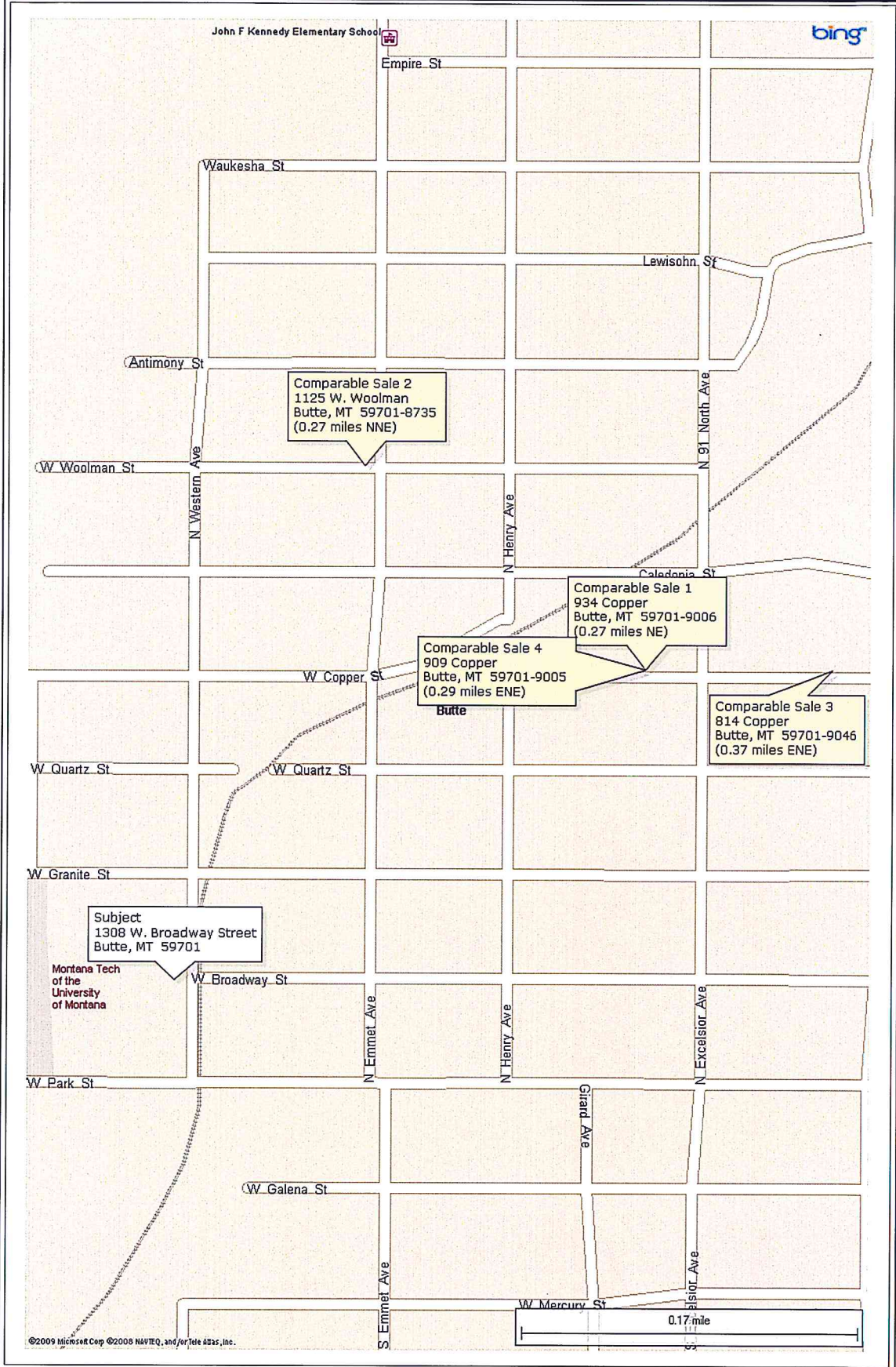
AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1200.00	1200.00
GLA2	Second Floor	1200.00	1200.00
P/P	Porch	360.00	360.00
GAR	Garage	400.00	400.00
TOTAL LIVABLE (rounded)			2400

LIVING AREA BREAKDOWN		
Breakdown	Subtotals	
First Floor		
30.0 x 40.0		1200.00
Second Floor		
30.0 x 40.0		1200.00
2 Calculations Total (rounded)		2400

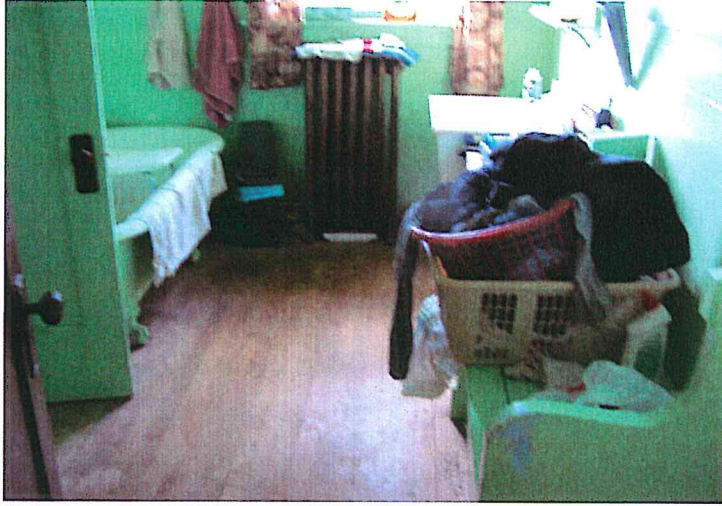
LOCATION MAP

Borrower: Not Applicable  
Property Address: 1308 W. Broadway Street  
City: Butte State: MT  
Lender: Montana Tech

File No.: BBROADWAY1308  
Case No.: BBROADWAY1308  
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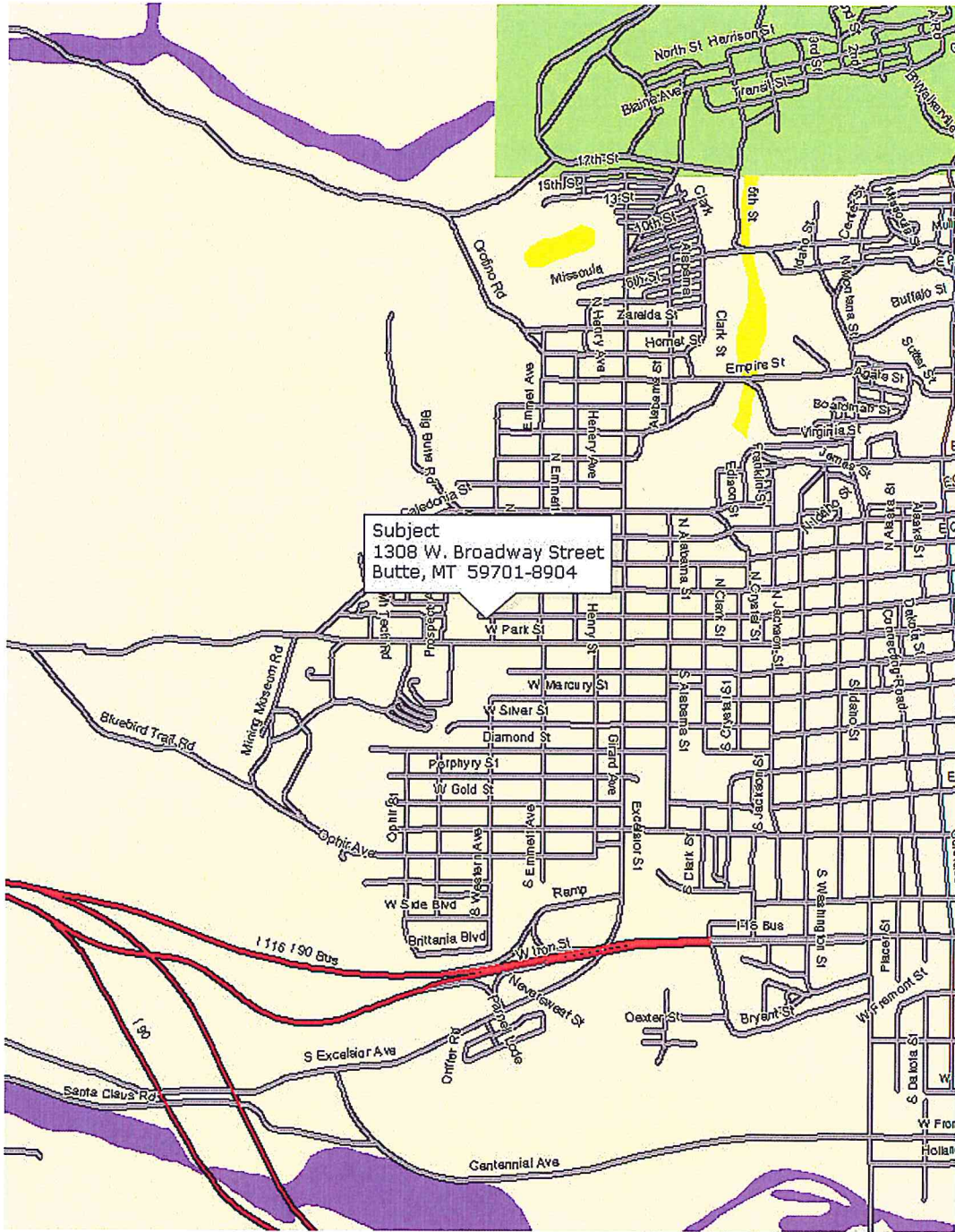
Borrower: Not Applicable	File No.: BBROADWAY1308
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2nd level bathroom

FLOOD MAP

Borrower: Not Applicable	File No.: BBROADWAY1308
Property Address: 1308 W. Broadway Street	Case No.: BBROADWAY1308
City: Butte	State: MT
Lender: Montana Tech	Zip: 59701-8904



Subject  
1308 W. Broadway Street  
Butte, MT 59701-8904

**FloodMap Legend**

**Flood Zones**

- Areas inundated by 500-year flooding
- Areas outside of the 100- and 500-year floodplains.
- Areas inundated by 100-year flooding
- Areas inundated by 100-year flooding with velocity hazard
- Floodway areas
- Floodway areas with velocity hazard
- Areas of undetermined but possible flood hazards
- Areas not mapped on any published FIRM

**Flood Information**

Community: 300077 - UNINCORPORATED AREA  
 Property is not in a FEMA special flood hazard area.  
 Map Number: 300077 0179D      Map Date: 02/23/1982  
 Panel: 0179D                      FIPS: 30093  
 Zone: C

Neither Transamerica Flood Hazard Certification (TFHC) nor ACI make any 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. Neither TFHC nor ACI nor the seller of this flood report shall have any liability to any third party for any use or misuse of this flood report.

\*\*\*\*\* INVOICE \*\*\*\*\*

File Number: BBROADWAY1308

10/11/2009

Frank Gilmore  
Montana Tech  
1300 W. Park Street  
Butte, MT 59701

Borrower : Not Applicable

Invoice # : BBROADWAY1308

Order Date :

Reference/Case # : BBROADWAY1308

PO Number :

1308 W. Broadway Street  
Butte, MT 59701-8904

Full URAR	\$	400.00
	\$	-----
Invoice Total	\$	400.00
State Sales Tax @	\$	0.00
Deposit	(\$	)
Deposit	(\$	)
	-----	
Amount Due	\$	400.00

Terms: Due upon delivery

Please Make Check Payable To:

Renee Neary  
4403 Bull Run  
Butte, MT 59701

Fed. I.D. #: on file