

**APPRAISAL OF**



Lots 4, 5, 6, and 7, Block 14, Fairview Addition

**LOCATED AT:**

1308 W. Broadway Street  
Butte, MT 59701-8904

**FOR:**

University of Montana at Montana Tech  
1300 W. Park Street  
Butte, Mt 59701

**BORROWER:**

N/A

**AS OF:**

October 7, 2009

**BY:**

Mike McLeod  
Montana General Certification #397

October 12, 2009

Chancellor Frank Gilmore  
University of Montana at Montana Tech  
1300 W. Park Street  
Butte, Mt 59701

File Number: reed3

Dear Chancellor 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 7, 2009 is:

\$80,000  
Eighty 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.

Very truly yours,



Mike McLeod  
Montana General Certification #397

# Uniform Residential Appraisal Report

File No. reed3

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 **N/A** Owner of Public Record **James L. Reed** County **Silver Bow**  
 Legal Description **Lots 4, 5, 6, and 7, Block 14, Fairview Addition**  
 Assessor's Parcel # **1214100** Tax Year **2008** R.E. Taxes \$ **1,542.10**  
 Neighborhood Name **Upper Westside** Map Reference **01119714114740000** Census Tract **0002.00**  
 Occupant  Owner  Tenant  Vacant  Special Assessments \$ **None**  PUD HOA \$ **N/A**  per year  per month  
 Property Rights Appraised  Fee Simple  Leasehold  Other (describe) **N/A**  
 Assignment Type  Purchase Transaction  Refinance Transaction  Other (describe) **Market Value Request**  
 Lender/Client **University of Montana at 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  No  
 Report data source(s) used, offering price(s), and date(s). **Owner/MLS.**

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.  
**N/A**  
 Contract Price \$ **N/A** Date of Contract **N/A** Is the property seller the owner of public record?  Yes  No Data Source(s) **GIS**  
 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. \$ **N/A**

**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 checked="" type="checkbox"/> Urban	<input type="checkbox"/> Suburban	<input type="checkbox"/> Rural	Property Values	<input type="checkbox"/> Increasing	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Declining	PRICE	AGE	One-Unit	90 %	
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	\$(000)	(yrs)	2-4 Unit	8 %	
Growth	<input checked="" type="checkbox"/> Rapid	<input checked="" type="checkbox"/> Stable	<input type="checkbox"/> Slow	Marketing Time	<input type="checkbox"/> Under 3 mths	<input checked="" type="checkbox"/> 3-6 mths	<input type="checkbox"/> Over 6 mths	40	Low	New	Multi-Family	%
Neighborhood Boundaries	<b>See Attached Addendum</b>						300	High	110+	Commercial	1 %	
							100	Pred.	80	Other campus	1 %	
Neighborhood Description	<b>See Attached Addendum</b>											

Market Conditions (including support for the above conclusions) **Property values have stabilized relative to the subject market. Supply and demand appear to be in balance. Typical marketing time is 3-6 months for competitively priced homes. Current rates range from 5% to 6% on single family purchases. There has not been an abundance of reported sales and loan concessions.**

Dimensions **120' X 100'** Area **12000 Sq.Ft.** Shape **Rectangular** View **Campus/Homes**  
 Specific Zoning Classification **E-1** Zoning Description **Public College**  
 Zoning Compliance  Legal  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?  Yes  No If No, describe.

Utilities Public Other (describe) Public Other (describe) Off-site Improvements—Type Public Private  
 Electricity   Water   Street Asphalt    
 Gas   Sanitary Sewer   Alley None    
 FEMA Special Flood Hazard Area  Yes  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?  Yes  No If No, describe.  
 Are there any adverse site conditions or external factors (easements, encroachments, environmental conditions, land uses, etc.)?  Yes  No If Yes, describe. **See addendum for disclaimer.**

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 type="checkbox"/> Crawl Space		Foundation Walls	<b>Concrete/Avg</b>	Floors	<b>Wd-Vinyl/Fair</b>
# of Stories	<b>TWO</b>	<input checked="" type="checkbox"/> Full Basement <input type="checkbox"/> Partial Basement		Exterior Walls	<b>Brick/Avg</b>	Walls	<b>Plaster/Fair</b>
Type	<input checked="" type="checkbox"/> Det. <input type="checkbox"/> Att. <input type="checkbox"/> S-Det./End Unit	Basement Area	<b>1,200 sq. ft.</b>	Roof Surface	<b>Asphlt Shngls/Fair</b>	Trim/Finish	<b>Wood/Avg</b>
	<input checked="" type="checkbox"/> Existing <input type="checkbox"/> Proposed <input type="checkbox"/> Under Const.	Basement Finish	<b>0 %</b>	Gutters & Downspouts	<b>Metal/Avg</b>	Bath Floor	<b>Vinyl/Fair</b>
Design (Style)	<b>Two Story</b>	<input type="checkbox"/> Outside Entry/Exit <input type="checkbox"/> Sump Pump		Window Type	<b>Double Hung/Avg</b>	Bath Wainscot	<b>None</b>
Year Built	<b>1913</b>	Evidence of <input type="checkbox"/> Infestation		Storm Sash/Insulated	<b>Yes/Average</b>	Car Storage	<b>None</b>
Effective Age (Yrs)	<b>30</b>	<input type="checkbox"/> Dampness <input type="checkbox"/> Settlement		Screens	<b>None</b>	Driveway # of Cars	<b>N/A</b>
Attic	<input type="checkbox"/> None	Heating <input type="checkbox"/> FWA <input checked="" type="checkbox"/> HWBB <input type="checkbox"/> Radiant		Amenities	<input type="checkbox"/> WoodStove(s) #	Driveway Surface	<b>N/A</b>
Drop Stair	<input type="checkbox"/> Stairs	<input type="checkbox"/> Other <input type="checkbox"/> Fuel Gas		<input checked="" type="checkbox"/> Fireplace(s) #	<input checked="" type="checkbox"/> Fence	<input checked="" type="checkbox"/> Garage # of Cars	<b>1+</b>
Floor	<input checked="" type="checkbox"/> Scuttle	Cooling <input type="checkbox"/> Central Air Conditioning		<input type="checkbox"/> Patio/Deck	<input checked="" type="checkbox"/> Porch	Carport # of Cars	
Finished	<input type="checkbox"/> Heated	<input type="checkbox"/> Individual <input type="checkbox"/> Other		<input type="checkbox"/> Pool	<b>None</b>	Att. <input checked="" type="checkbox"/> Det. <input type="checkbox"/> Built-in	

Appliances  Refrigerator  Range/Oven  Dishwasher  Disposal  Microwave  Washer/Dryer  Other (describe)  
 Finished area above grade contains: **6 Rooms 3 Bedrooms 1 Bath(s) 2,400 Square Feet of Gross Living Area Above Grade**  
 Additional features (special energy efficient items, etc.) **Subject benefits original woodwork and a newer hot water gas fired boiler.**

Describe the condition of the property (including needed repairs, deterioration, renovations, remodeling, etc.) **Improvements have been updated and maintained in a less than acceptable manner and as a result are considered to be in fair condition. Physical depreciation is due to age and wear and tear. There is not any Functional or External obsolescence noted. The quality of construction is average.**

Are there any physical deficiencies or adverse conditions that affect the livability, soundness, or structural integrity of the property?  Yes  No If Yes, describe. **See addendum for disclaimer.**

Does the property generally conform to the neighborhood (functional utility, style, condition, use, construction, etc.)?  Yes  No If No, describe.

Summary

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There are 6 comparable properties currently offered for sale in the subject neighborhood ranging in price from \$ 60,000 to \$ 90,000				
There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in sale price from \$ 60,000 to \$ 90,000				
FEATURE	SUBJECT	COMPARABLE SALE NO. 1	COMPARABLE SALE NO. 2	COMPARABLE SALE NO. 3
1308 W. Broadway Street	1215 W. Granite Street	1215 W. Woolman	814 W. Copper Street	
Address Butte	Butte	Butte	Butte	
Proximity to Subject	0.05 miles NNW	0.26 miles N	0.37 miles ENE	
Sale Price	\$ N/A	\$ 87,500	\$ 69,000	\$ 68,500
Sale Price/Gross Liv. Area	\$ 0.00 sq. ft.	\$ 42.64 sq. ft.	\$ 39.59 sq. ft.	\$ 30.69 sq. ft.
Data Source(s)	Inspection	Broker/MLS	Broker/MLS	Broker/MLS
Verification Source(s)	Crths. Recs	Crthse. Recs.	Crthse. Recs.	Crthse. Recs.
VALUE ADJUSTMENTS	DESCRIPTION	DESCRIPTION	DESCRIPTION	DESCRIPTION
Sale or Financing	None Known	Conventional	FHA	Conventional
Concessions		43 DOM	151 DOM	89 DOM
Date of Sale/Time	N/A	5/2009	8/2009	2/2009
Location	Average	Equal	Equal	Equal
Leasehold/Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
Site	12,000 Sq.Ft.	3,500'	3,500'	3,000'
View	Campus/Homes	Equal	Equal	Equal
Design (Style)	Two Story	1.5 Story	1.5 Story	2 Story
Quality of Construction	Average	Equal	Equal	Equal
Actual Age	96 +- years	99 +- years	109 +- years	99 +- years
Condition	Fair	Superior	Superior	Superior
Above Grade	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths	Total Bdrms. Baths
Room Count	6 3 1	6 4 2	5 3 1	6 4 2
Gross Living Area 15.00	2,400 sq. ft.	2,052 sq. ft.	1,743 sq. ft.	2,232 sq. ft.
Basement & Finished	1,200' Unfinished	513' Unfinished	581' Unfinished	558' Unfinished
Rooms Below Grade	None	None	None	None
Functional Utility	Functional	Equal	Equal	Equal
Heating/Cooling	HWBB	HWBB	HWBB	HWBB
Energy Efficient Items	Typical	Equal	Equal	Equal
Garage/Carport	1+ Car Garage	1+ Car Garage	1+ Car Garage	2 Garage
Porch/Patio/Deck	Porch	Porch	Porch	Patio
Other	F/P	None	None	None
Other	None	None	None	None
Other	None	None	None	None
Net Adjustment (Total)	[X] + [ ] - \$ 2,600	[X] + [ ] - \$ 11,300	[X] + [ ] - \$ 2,800	
Adjusted Sale Price of Comparables	Net Adj. 3.0% Gross Adj. 30.4% \$ 90,100	Net Adj. 16.4% Gross Adj. 38.7% \$ 80,300	Net Adj. 4.1% Gross Adj. 30.4% \$ 71,300	
I <input checked="" type="checkbox"/> did <input type="checkbox"/> did not research the sale or transfer history of the subject property and comparable sales. If not, explain				
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) Public Record				
My research <input type="checkbox"/> did <input checked="" type="checkbox"/> 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) MLS				
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	None	None	None	None
Price of Prior Sale/Transfer				
Data Source(s)				
Effective Date of Data Source(s)				
Analysis of prior sale or transfer history of the subject property and comparable sales None.				
Summary of Sales Comparison Approach. All three sales are considered in my final estimate of value. As the reader can observe the adjustments are in excess of what is typically acceptable. However, the subject offers a unique site size and gross living area in comparison to the comparable sales. As a result the adjustments made are, in my opinion, necessary in order to accurately reflect the market as it relates to the subject. Based on my analysis and in my opinion Sales 1# and #3 are most influential and are most like the subject. However, these sales indicate a range of value beyond what I am typically comfortable with. None the less they do offer an indication of the market. Sale #2 is less influential due to total adjustments but is however supportive of my final estimate of value.				
Indicated Value by Sales Comparison Approach \$ 80,000				
Indicated Value by: Sales Comparison Approach \$ 80,000 Cost Approach (if developed) \$ 127,000 Income Approach (if developed) \$ N/A				
Due to the lack of comparable rental data the Income Approach is not appropriate. Most weight is given to the Sales Comparison Approach as it reflects the buyers and sellers actions in the marketplace. The Cost Approach serves as a check on the market.				
This appraisal is made <input checked="" type="checkbox"/> "as is," <input type="checkbox"/> subject to completion per plans and specifications on the basis of a hypothetical condition that the improvements have been completed, <input type="checkbox"/> subject to the following repairs or alterations on the basis of a hypothetical condition that the repairs or alterations have been completed, or <input type="checkbox"/> subject to the following required inspection based on the extraordinary assumption that the condition or deficiency does not require alteration or repair: See Addendum for disclaimer.				
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 \$ 80,000 as of 10/07/2009, which is the date of inspection and the effective date of this appraisal.				

SALES COMPARISON APPROACH

RECONCILIATION

# Uniform Residential Appraisal Report

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) Site value estimates are based on an analysis of the sales and offerings of sites similar in comparison to the subject site.

COST APPROACH	ESTIMATED <input checked="" type="checkbox"/> REPRODUCTION OR <input type="checkbox"/> REPLACEMENT COST NEW	OPINION OF SITE VALUE .....	= \$	12,000
	Source of cost data Means Square Foot Cost Manual	Dwelling 2,400 Sq. Ft. @ \$ 80.00 .....	= \$	192,000
	Quality rating from cost service N/A Effective date of cost data 2009	Bsmt: 1200 Sq.Ft. Sq. Ft. @ \$ 20.00 .....	= \$	24,000
	Comments on Cost Approach (gross living area calculations, depreciation, etc.)			
	Cost estimates based on the 2009 Means Square Foot Costs	Garage/Carport 400 Sq. Ft. @ \$ 25.00 .....	= \$	10,000
	Manual. Site values based on the sales and offerings of sites comparable to the subject site. In my opinion the effective age of the subject is 30 years indicating a remaining economic life of 30 years.	Total Estimate of Cost-New .....	= \$	226,000
		Less 60 Physical Functional External		
		Depreciation \$113,000 \$0 \$0 = \$	(	113,000)
		Depreciated Cost of Improvements .....	= \$	113,000
		*As-is* Value of Site Improvements .....	= \$	2,000
Estimated Remaining Economic Life (HUD and VA only) 30 Years	INDICATED VALUE BY COST APPROACH .....	= \$	127,000	

**INCOME APPROACH TO VALUE (not required by Fannie Mae)**

Estimated Monthly Market Rent \$ N/A X Gross Rent Multiplier N/A = \$ N/A Indicated Value by Income Approach

Summary of Income Approach (including support for market rent and GRM) Due to a lack of readily available income data this approach is not deemed to be reliable.

**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 N/A

Total number of phases N/A Total number of units N/A Total number of units sold N/A

Total number of units rented N/A Total number of units for sale N/A Data source(s) N/A

Was the project created by the conversion of an existing building(s) into a PUD?  Yes  No If Yes, date of conversion. N/A

Does the project contain any multi-dwelling units?  Yes  No Data source(s) N/A

Are the units, common elements, and recreation facilities complete?  Yes  No If No, describe the status of completion. N/A

Are the common elements leased to or by the Homeowners' Association?  Yes  No If Yes, describe the rental terms and options. N/A

Describe common elements and recreational facilities. N/A

**Uniform Residential Appraisal Report**

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.

**Uniform Residential Appraisal Report****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.

# Uniform Residential 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   
 Name Mike McLeod  
 Company Name McLeod Appraisal Services  
 Company Address 1905 Holmes Avenue  
Butte, Montana 59701  
 Telephone Number 406-494-3122  
 Email Address mike@mcleodrealtors.com  
 Date of Signature and Report 10/12/2009  
 Effective Date of Appraisal 10/07/2009  
 State Certification # General #397  
 or State License # N/A  
 or Other (describe) \_\_\_\_\_ State # \_\_\_\_\_  
 State MT  
 Expiration Date of Certification or License 3/31/2010

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

APPRAISED VALUE OF SUBJECT PROPERTY \$ 80,000

LENDER/CLIENT  
 Name Chancellor Frank Gilmore  
 Company Name University of Montana at 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 \_\_\_\_\_  
 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 \_\_\_\_\_



**ADDENDUM**

Borrower: N/A	File No.: reed3	
Property Address: 1308 W. Broadway Street	Case No.:	
City: Butte	State: MT	Zip: 59701-8904
Lender: University of Montana at Montana Tech		

See Attached Addendum

**Neighborhood Boundaries**

Subject neighborhood best defined as follows: Caledonia Street to the North, Park Street to the South, Western Avenue to the West, and Excelsior Avenue to the East.

**Neighborhood Description**

Subject neighborhood offers average proximity to schools, shopping, public transportation, and employment opportunities. Majority of properties are 80± years old and have been maintained in average condition. This area includes the campus of Montana Tech which provides for a positive influence on the area in general. Overall the subject neighborhood offers average appeal to the market.

**ADDENDUM**

**CHOICE OF COMPARABLE SALES--** All three sales are located within the subject neighborhood or a competitive area. It should be noted I have made an attempt to identify sales within the E1 College zone. To the best of my knowledge said sales are non existent. Based on my research, the current market, and in my opinion the three sales chosen best represent the market as it relates to the subject.

**ADJUSTMENTS**

**SELLER'S CONCESSIONS--** Sale #1 contained \$2,700 in seller's concessions and has been adjusted accordingly.

**SITE--** Site value adjustments are determined via an analysis of the sales and offerings of sites similar to the subject site and sites similar to the comparable sales sites.

**CONDITION--** All three sales have been updated and maintained in a superior condition, to a varying degree, in comparison to the subject. As a result I have adjusted each sale in an appropriate manner.

**GROSS LIVING AREA/ROOM COUNT--** Gross living area adjustments are based on the depreciated cost per square foot of the subject versus the depreciated cost per square foot of the comparable sales. I have not adjusted for difference in room count as this has been accounted for in my square foot adjustment..

**BASEMENT--** Basement area adjustments are based on the depreciated cost per square foot of the subject finished/unfinished basement area versus the depreciated cost per square foot of the comparable sales finished/unfinished basement area.

**GARAGE--** Sale #3 contains a superior garage and has been adjusted accordingly.

**FIREPLACE--** All three sales are inferior because they lack a fireplace. As a result I have adjusted each sale in an appropriate manner.

**HIGHEST AND BEST USE--** As per Butte Silver Bow the subject is located within an E-1 College Zone. However the subject is considered a legal non conforming residential use. Base on this and other tests to determine highest and best use, the subject's highest and best use is that of residential.

**ADDITIONAL COMMENTS--** It should be noted the subject has been maintained in a fair condition, at best. The subject roof, wiring, plumbing, and overall condition are in need of attention.

THE APPRAISER HAS DONE A BRIEF WALK THRU CURSORY INSPECTION OF THE PROPERTY INTERIOR AND EXTERIOR. THE PURPOSE OF THE INSPECTION IS TO DETERMINE THE GENERAL OVERALL CONDITION, UPDATING, LAYOUT, AND AMENITIES. THE APPRAISER HAS NOT IN ANY WAY DONE A CRITICAL EXAMINATION OF THE INSULATION, APPLIANCES, PLUMBING, HEATING, ELECTRICAL, ROOF, FOUNDATION, OR ATTIC. THAT APPRAISAL VALUE ASSUMES THAT ALL MECHANICAL SYSTEMS ARE IN OPERABLE CONDITION AND THAT THE STRUCTURE IS PHYSICALLY SOUND UNLESS SPECIFICALLY STATED AND CONSIDERED IN THE REPORT. PLEASE NOTE, THAT NO ADVICE IS GIVEN REGARDING MECHANICAL EQUIPMENT OR STRUCTURAL INTEGRITY OR ADEQUACY OF THE PROPERTY, (SEEK ASSISTANCE FROM A QUALIFIED ENGINEER, HOME INSPECTOR, ETC.) DO NOT RELY ON THE APPRAISER'S INSPECTION - I AM NOT A QUALIFIED MECHANICAL, STRUCTURAL/HOME INSPECTOR OR ENVIRONMENTAL INSPECTOR. THE APPRAISER PROVIDES AN OPINION OF VALUE. THE APPRAISER DOES NOT GUARANTEE THAT THE PROPERTY IS FREE OF DEFECTS OF ENVIRONMENTAL PROBLEMS. THE APPRAISER PERFORMS AN INSPECTION OF VISIBLE AND ACCESSIBLE AREAS ONLY. MOLD, ASBESTOS, ETC. MAY BE PRESENT IN AREAS THAT THE APPRAISER CAN/CANNOT SEE. A PROFESSIONAL HOME INSPECTION AND/OR ENVIRONMENTAL

**ADDENDUM**

Borrower: N/A	File No.: reed3	
Property Address: 1308 W. Broadway Street	Case No.:	
City: Butte	State: MT	Zip: 59701-8904
Lender: University of Montana at Montana Tech		

INSPECTION IS RECOMMENDED.

**SUBJECT PROPERTY PHOTO ADDENDUM**

Borrower: N/A	File No.: reed3	
Property Address: 1308 W. Broadway Street	Case No.:	
City: Butte	State: MT	Zip: 59701-8904
Lender: University of Montana at Montana Tech		



**FRONT VIEW OF  
SUBJECT PROPERTY**

Appraised Date: October 7, 2009  
Appraised Value: \$ 80,000



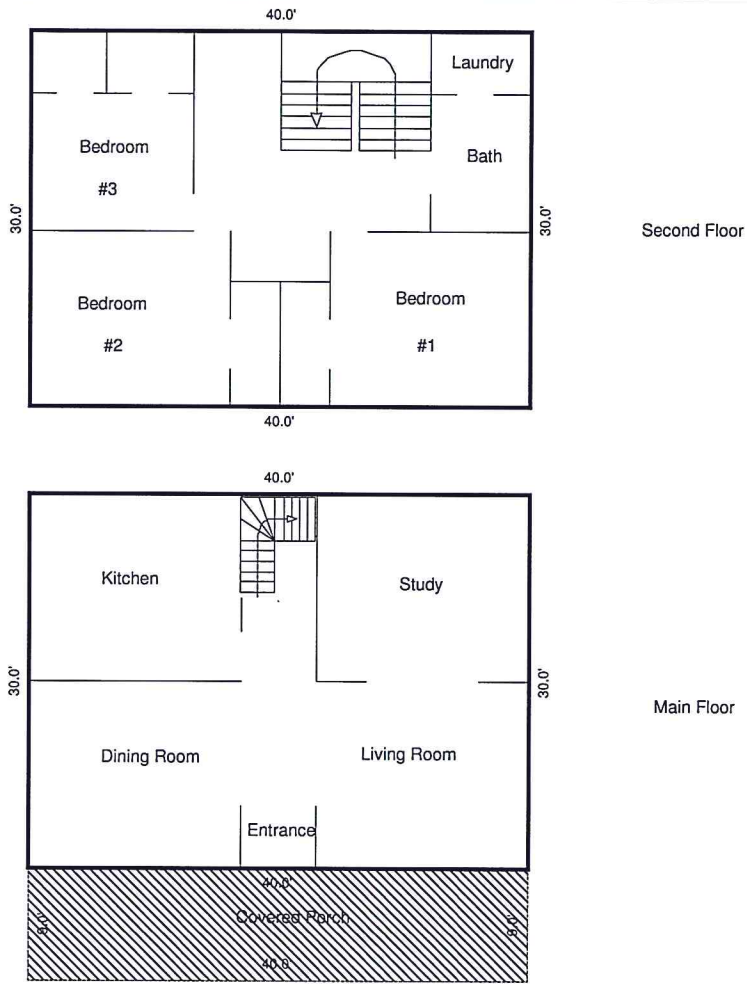
**REAR VIEW OF  
SUBJECT PROPERTY**



**STREET SCENE**

## FLOORPLAN

Borrower: N/A	File No.: reed3
Property Address: 1308 W. Broadway Street	Case No.:
City: Butte	State: MT
Lender: University of Montana at Montana Tech	Zip: 59701-8904



Sketch by Apex IV™

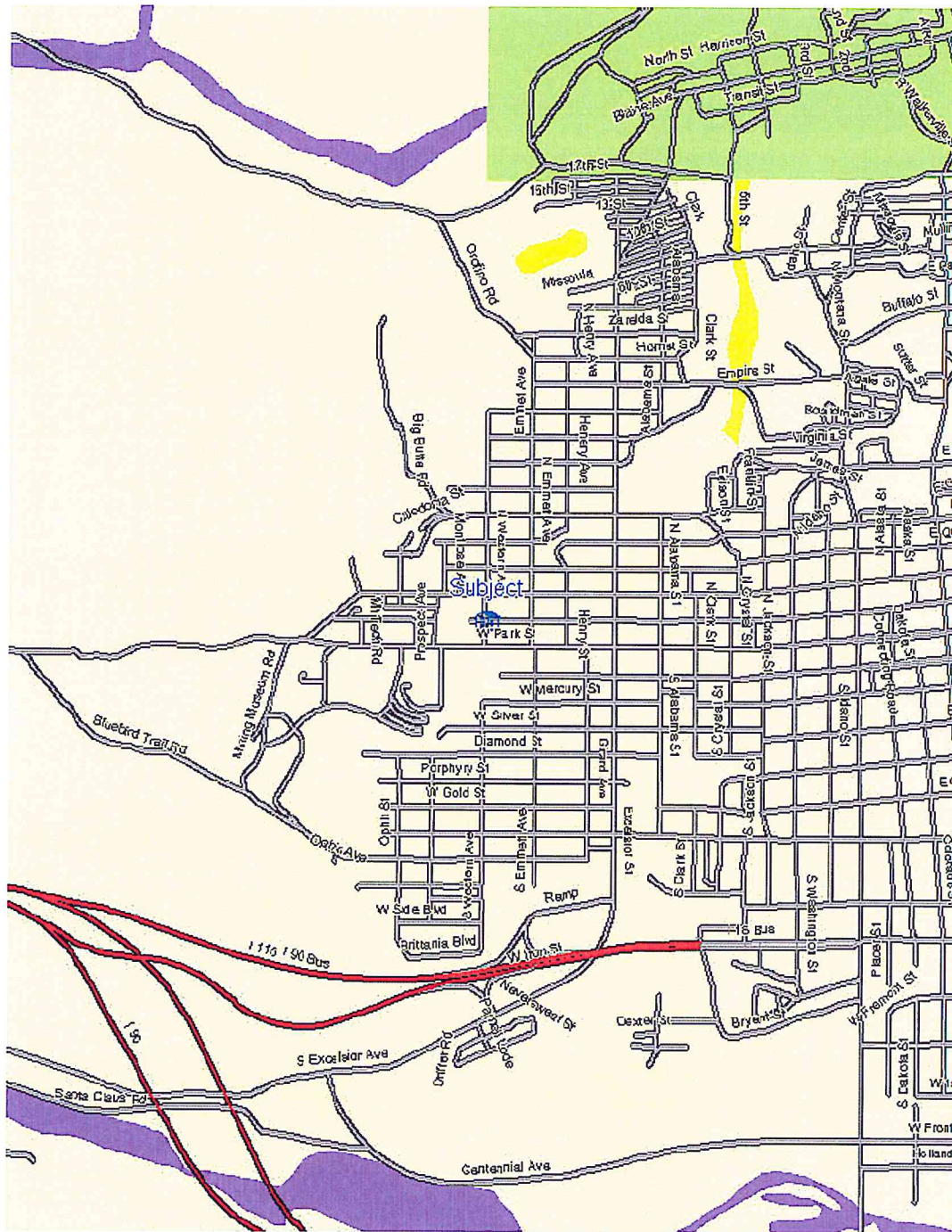
Comments:

AREA CALCULATIONS SUMMARY			
Code	Description	Size	Net Totals
GLA1	First Floor	1200.00	1200.00
GLA2	Second Floor	1200.00	1200.00
P/P	Covered Porch	360.00	360.00
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

FLOOD MAP

Borrower: N/A File No.: reed3  
 Property Address: 1308 W. Broadway Street Case No.:  
 City: Butte State: MT Zip: 59701-8904  
 Lender: University of Montana at Montana Tech



**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: 02/23/1992  
 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.

COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A	File No.: reed3	
Property Address: 1308 W. Broadway Street	Case No.:	
City: Butte	State: MT	Zip: 59701-8904
Lender: University of Montana at Montana Tech		



COMPARABLE SALE #1

1215 W. Granite Street  
Butte  
Sale Date: 5/2009  
Sale Price: \$ 87,500



COMPARABLE SALE #2

1215 W. Woolman  
Butte  
Sale Date: 8/2009  
Sale Price: \$ 69,000

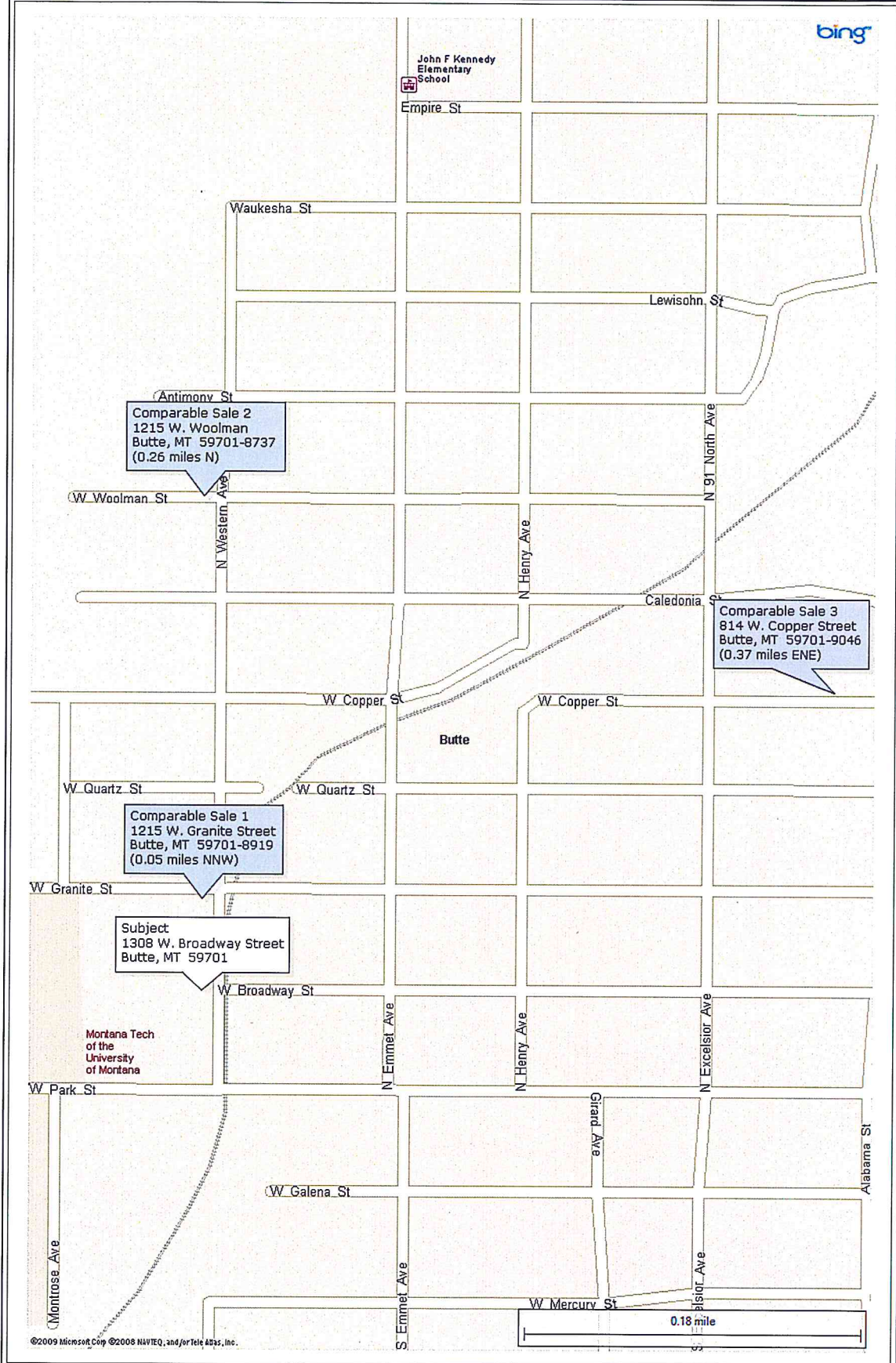


COMPARABLE SALE #3

814 W. Copper Street  
Butte  
Sale Date: 2/2009  
Sale Price: \$ 68,500

LOCATION MAP

Borrower: N/A File No.: reed3  
Property Address: 1308 W. Broadway Street Case No.:  
City: Butte State: MT Zip: 59701-8904  
Lender: University of Montana at Montana Tech



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

File Number: reed3

Borrower : N/A

Invoice # :  
Order Date : 9/29/2009  
Reference/Case # :  
PO Number :

1308 W. Broadway Street  
Butte, MT 59701-8904

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

Terms:

Please Make Check Payable To:  
McLeod Appraisal Services

Fed. I.D. #: