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,

[Signature]

Mike McLeod
Montana General Certification #397
# Uniform Residential Appraisal Report

**Address:** 1508 W. Broadway Street

**City:** Butte

**State:** MT

**Zip Code:** 59701

**County:** Silver Bow

**Owner:** James L. Reed

**Tax Year:** 2008

**Property Address:** 1211400

**Property Description:** Lots 4, 5, 6, and 7, Block 14, Fairview Addition

**Assessor's Parcel #:** 1211400

**Tax Year:** 2008

**Legal Description:** Lot 4, Block 14, Fairview Addition

**Occupant:** Owner

**Special Assessments:** None

**HOA:** N/A

**Property Type:** Residential

**Exterior Description:** Foundation Walls Concrete/Avg, Exterior Walls Brick/Avg, Roof Slates, Windows Plaster/Fair

**Utilities:** Water, Sewer, Sanitary Sewer, Street, Asphalt

**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.

**Construction:** 1913

**Stories:** Two

**Beds:** 3

**Baths:** 1

**Parking:** 2

**Basement:** Partial

**Parking:** 2

**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

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**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.

**Condition:** Fair

**Sewer:** Sanitary Sewer

**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.

**Construction:** 1913

**Stories:** Two

**Beds:** 3

**Baths:** 1

**Parking:** 2

**Basement:** Partial

**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.

**Condition:** Poor

**Sewer:** Sanitary Sewer

**Exterior Features:** Front Porch, Side Door, Elevator, Storm Door

**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.

**Construction:** 1913

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**Special Features:** 2,400 Square Feet of Gross Living Area Above Grade

**Additional Features:** Subject benefits original woodwork and a newer hot water gas fired boiler.
# Uniform Residential Appraisal Report

**File No. reed3**

**Summary**

There are 6 comparable properties currently offered for sale in the subject neighborhood ranging in price from $60,000 to $95,000. There are 4 comparable sales in the subject neighborhood within the past twelve months ranging in price from $60,000 to $95,000.

**FEATURE**

<table>
<thead>
<tr>
<th>SUBJECT</th>
<th>COMPAREABLE SALE NO. 1</th>
<th>COMPAREABLE SALE NO. 2</th>
<th>COMPAREABLE SALE NO. 3</th>
</tr>
</thead>
<tbody>
<tr>
<td>1308 W. Broadway Street</td>
<td>1215 W. Granite Street</td>
<td>1215 W. Woolman Street</td>
<td>814 W. Copper Street</td>
</tr>
<tr>
<td>Address</td>
<td>Butte</td>
<td>Butte</td>
<td>Butte</td>
</tr>
<tr>
<td>Proximity to Subject</td>
<td>0.05 miles NW</td>
<td>0.26 miles S</td>
<td>0.37 miles ENE</td>
</tr>
</tbody>
</table>

**SALE**

<table>
<thead>
<tr>
<th>Property</th>
<th>N/A</th>
<th>$87,500</th>
<th>$69,000</th>
<th>$68,500</th>
</tr>
</thead>
<tbody>
<tr>
<td>Price</td>
<td>0.00 sq. ft.</td>
<td>42.64 sq. ft.</td>
<td>26.59 sq. ft.</td>
<td>30.69 sq. ft.</td>
</tr>
<tr>
<td>Location</td>
<td>Average</td>
<td>Equal</td>
<td>Equal</td>
<td>Equal</td>
</tr>
<tr>
<td>Leasehold/Easement</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
<td>Fee Simple</td>
</tr>
<tr>
<td>Site</td>
<td>12,000 Sq.Ft.</td>
<td>3,500 sq. ft.</td>
<td>4,000 sq. ft.</td>
<td>4,500 sq. ft.</td>
</tr>
<tr>
<td>View</td>
<td>Campus/Homes</td>
<td>Equal</td>
<td>Equal</td>
<td>Equal</td>
</tr>
<tr>
<td>Condition</td>
<td>Fair</td>
<td>Superior</td>
<td>Superior</td>
<td>Superior</td>
</tr>
<tr>
<td>Above Grade</td>
<td>2,400 sq. ft.</td>
<td>1,200 sq. ft.</td>
<td>3,400 sq. ft.</td>
<td>2,100 sq. ft.</td>
</tr>
<tr>
<td>Basement &amp; Finshed</td>
<td>None</td>
<td>515 sq. ft.</td>
<td>561 sq. ft.</td>
<td>556 sq. ft.</td>
</tr>
<tr>
<td>Rooms Below Grade</td>
<td>None</td>
<td>None</td>
<td>None</td>
<td>None</td>
</tr>
<tr>
<td>Functional Utility</td>
<td>Equal</td>
<td>Equal</td>
<td>Equal</td>
<td>Equal</td>
</tr>
<tr>
<td>Heating/Cooling</td>
<td>HWBB</td>
<td>HWBB</td>
<td>HWBB</td>
<td>HWBB</td>
</tr>
<tr>
<td>Energy Efficient Items</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
<td>Typical</td>
</tr>
<tr>
<td>Garage/Carport</td>
<td>1+ Car Garage</td>
<td>1+ Car Garage</td>
<td>1+ Car Garage</td>
<td>2 Car Garage</td>
</tr>
<tr>
<td>Porch/Patio Deck</td>
<td>Porch</td>
<td>Porch</td>
<td>Porch</td>
<td>Terrace</td>
</tr>
<tr>
<td>Net Adjustment (Total)</td>
<td>$1,100</td>
<td>$2,600</td>
<td>$11,300</td>
<td>$2,600</td>
</tr>
</tbody>
</table>

**SALES COMPARISON APPROACH**

<table>
<thead>
<tr>
<th>Adjusted Sale Price</th>
<th>$90,100</th>
<th>$80,300</th>
<th>$71,300</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross Adj.</td>
<td>30.4%</td>
<td>30.4%</td>
<td>30.4%</td>
</tr>
<tr>
<td>Net Adj.</td>
<td>30.4%</td>
<td>30.4%</td>
<td>30.4%</td>
</tr>
<tr>
<td>Net Adj.</td>
<td>16.4%</td>
<td>4.1%</td>
<td>4.1%</td>
</tr>
</tbody>
</table>

**Analysis of prior sales or transfer history of the subject property and comparable sales.**

**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 2 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 #3 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 "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 Addendum for disclaimer.
<table>
<thead>
<tr>
<th>COST APPROACH TO VALUE (not required by Fannie Mae)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Provide adequate information for the lender/client to replicate the below cost figures and calculations.</td>
</tr>
<tr>
<td>Support for the opinion of site value (summary of comparable land sales or other methods for estimating site value) is based on an analysis of the sales and offerings of sites similar in comparison to the subject site.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>ESTIMATED</th>
<th>REPRODUCTION OR REPLACEMENT COST NEW</th>
<th>OPINION OF SITE VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Source of cost data</td>
<td>Means Square Foot Cost Manual</td>
<td>Dwelling 2,400 Sq. ft. @ $ 80.00 = $ 192,000</td>
</tr>
<tr>
<td>Quality rating from cost service</td>
<td>N/A</td>
<td>Brmt: 1200 Sq.Ft. 80.00 = $ 24,000</td>
</tr>
<tr>
<td>Comments on Cost Approach (gross living area calculations, depreciation, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost estimates based on the 2009 Means Square Foot Costs</td>
<td>Garage/Carport 400 Sq. ft. @ $ 25.00 = $ 10,000</td>
<td></td>
</tr>
<tr>
<td>Manual. Site values based on the sales and offerings of sites</td>
<td>Total Estimate of Cost-New = $ 220,000</td>
<td></td>
</tr>
<tr>
<td>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.</td>
<td>Depreciation $113,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td>$0</td>
<td>$0 = $ 113,000</td>
</tr>
<tr>
<td></td>
<td><em>As</em> Value of Site Improvements = $ 113,000</td>
<td></td>
</tr>
<tr>
<td></td>
<td><em>As</em> Value of Site Improvements = $ 2,000</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCOME APPROACH TO VALUE (not required by Fannie Mae)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estimated Remaining Economic Life (HUD and VA only)</td>
</tr>
<tr>
<td>Estimated Monthly Rent</td>
</tr>
<tr>
<td>X Gross Rent Multiplier</td>
</tr>
<tr>
<td>N/A Indicated Value by Income Approach</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>INCOME INFORMATION</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>PROJECT INFORMATION FOR PUDs (if applicable)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Is the developer/builder in control of the Homeowners' Association (HOA)? Yes</td>
</tr>
<tr>
<td>Unit type(s)</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>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.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Legal name of project</th>
<th>N/A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total number of phases</td>
<td>N/A</td>
</tr>
<tr>
<td>Total number of units</td>
<td>N/A</td>
</tr>
<tr>
<td>Total number of units sold</td>
<td>N/A</td>
</tr>
<tr>
<td>Does the project contain any multi-dwelling units? Yes</td>
<td>No</td>
</tr>
<tr>
<td>Data source(s)</td>
<td>N/A</td>
</tr>
<tr>
<td>Are the units, common elements, and recreation facilities complete? Yes</td>
<td>No</td>
</tr>
<tr>
<td>If No, describe the status of completion. N/A</td>
<td></td>
</tr>
<tr>
<td>Are the common elements leased to or by the Homeowners' Association? Yes</td>
<td>No</td>
</tr>
<tr>
<td>If Yes, describe the rental terms and options. N/A</td>
<td></td>
</tr>
<tr>
<td>Describe common elements and recreational facilities. N/A</td>
<td></td>
</tr>
</tbody>
</table>
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 custom 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.
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 sales, unless otherwise indicated in this report.

7. I selected and used comparable sales that are located, 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, appraiser certification, 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 effect on value with respect to the subject neighborhood, subject property, and the property's proximity to 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 waste, 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 owner or occupant of the subject property or of the present owners or occupants of the property in the vicinity of the subject property or on any other bias prohibited by law.

18. My employment and/or compensation for performing this appraisal or any future or anticipated appraisals was not conditioned on any agreement or understanding, written or otherwise, that I would report (or present analysis supporting) a predetermined specific value, a predetermined minimum value, a range or direction in value, a value that favors the cause of any party, or the attainment of a specific result or occurrence of a specific subsequent event (such as approval of a pending mortgage loan application).

19. I personally prepared all conclusions and opinions about the real estate that were set forth in this appraisal report. If I relied on significant real property appraisal assistance from any individual or individuals in the performance of this appraisal or the preparation of this appraisal report, I have named such individual(s) and disclosed the specific tasks performed in this appraisal report. I certify that any individual so named is qualified to perform the tasks. I have not authorized anyone to make a change to any item in this appraisal report; therefore, any change made to this appraisal is unauthorized and I will take no responsibility for it.

20. I identified the lender/client in this appraisal report who is the individual, organization, or agent for the organization that ordered and will receive this appraisal report.
21. The lender/client may disclose or distribute this appraisal report to: the borrower; another lender at the request of the borrower; the mortgagee or its successors and assigns; mortgage insurers; government sponsored enterprises; other secondary market participants; data collection or reporting services; professional appraisal organizations; any department, agency, or instrumentality of the United States; and any state, the District of Columbia, or other jurisdictions; without having to obtain the appraiser’s or supervisory appraiser’s (if applicable) consent. Such consent must be obtained before this appraisal report may be disclosed or distributed to any other party (including, but not limited to, the public through advertising, public relations, news, sales, or other media).

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 handwritten 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 handwritten signature.
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 Exeter 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 NCTE, 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 CANNOT SEE. A PROFESSIONAL HOME INSPECTION AND/OR ENVIRONMENTAL
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<tr>
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<td>1308 W. Broadway Street</td>
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<tr>
<td>City: Butte</td>
<td>Case No.:</td>
</tr>
<tr>
<td>Lender: University of Montana at Montana Tech</td>
<td>State: MT</td>
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**INSPECTION IS RECOMMENDED.**
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
Property Address: 1308 W. Broadway Street
City: Butte
Lender: University of Montana at Montana Tech

File No.: reed3
Case No.: 
State: MT
Zip: 59701-8904

Comments:

AREA CALCULATIONS SUMMARY

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LIVING AREA BREAKDOWN

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<tr>
<td>Second Floor</td>
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TOTAL LIVABLE (rounded) 2400
2 Calculations Total (rounded) 2400

1905 Holmes Avenue, Butte, Montana 59701 406-494-3122
COMPARABLE PROPERTY PHOTO ADDENDUM

Borrower: N/A
Property Address: 1308 W. Broadway Street
City: Butte
State: MT
Zip: 59701-8904

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: 6/2009
Sale Price: $ 69,000

COMPARABLE SALE #3
814 W. Copper Street
Butte
Sale Date: 2/2009
Sale Price: $ 65,500
******** 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. #: 
