

PROPERTY CONDITION

ASSESSMENT

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PROPERTY CONDITION ASSESSMENT REPORT FOR MORTGAGE FINANCING PURPOSES

of

PAMIDA - 3215

657 West Main Connector
Hodgenville, Larue County, Kentucky 42748

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Project At A Glance

Pamida - 3215
 Hodgenville, Kentucky
 May 20, 2005
 EMG Project No.76377.06R-129.054

Square Footage: 34,994
 Building Age: 7

Sec.	Physical Condition Summary	Immediate Repairs	Replacement Reserves
Executive Summary			
1.2	Follow Up Recommendations	\$0	\$0
Code Information and Accessibility			
3.1	Code Information, Flood Zone and Seismic Zone	\$0	\$0
3.2	ADA Accessibility	\$305	\$0
3.3	Mold And Moisture	\$0	\$0
Site Improvements			
5.1	Utilities	\$0	\$0
5.2	Parking, Paving and Sidewalks	\$0	\$7,360
5.3	Drainage System and Erosion Control	\$0	\$0
5.4	Topography and Landscaping	\$0	\$0
5.5	General Site Improvements	\$0	\$0
Building Architectural and Structural Systems			
6.1	Foundations	\$0	\$0
6.2	Superstructure	\$0	\$0
6.3	Roofing	\$0	\$0
6.4	Exterior Walls	\$0	\$15,748
6.5	Exterior and Interior Stairs	\$0	\$0
6.6	Windows and Doors	\$0	\$0
6.7	Balconies	\$0	\$0
6.8	Common Areas, Entrances and Corridors	\$0	\$0
Building Mechanical and Electrical Systems			
7.1	Building Heating, Ventilating and Air Conditioning (HVAC)	\$0	\$84,500
7.2	Building Plumbing	\$0	\$0
7.3	Building Gas Distribution	\$0	\$0
7.4	Building Electrical	\$0	\$0
7.5	Building Elevators and Conveying Systems	\$0	\$0
7.6	Fire Protection Systems	\$0	\$0
Tenant Spaces			
8.1	Interiors	\$0	\$3,600
8.2	Kitchen Equipment	\$0	\$0
8.3	HVAC	\$0	\$0
8.4	Plumbing	\$0	\$0
8.5	Electrical	\$0	\$0
Totals		\$305	\$111,208

Summary

	Today's Dollars	\$/SF	
Immediate Repairs	\$305	\$0.01	
	Total Dollars	\$/SF	\$/SF/Year
Replacement Reserves, today's dollars	\$111,208	\$3.18	\$0.26
Replacement Reserves, w/12 Year, 2.5% escalation	\$133,834	\$3.82	\$0.32

Conditions noted in the Project At a Glance Table are representative of the overall conditions of the property. There may be more detail on specific assessment components in the Report text, therefore the Project At a Glance Table should not be used as a stand alone document.

Immediate Repair Cost Estimate

Property Name:	Pamida - 3215	Square Footage:	34,994
Location:	Hodgenville, Kentucky	Number Buildings:	1
EMG Project Number:	76377.06R-129.054	Reserve Term / Years:	12
		Building Age / Years:	7

Sec	Component or System	Comments	Quantity	Unit	Unit Cost	Immediate Total \$
3.2	ADA Parking	Adequate number of designated parking stalls and signage for cars are not provided.	1	EA	\$165.00	\$165
3.2	ADA Restrooms	Wrap drain pipes below lavatory with insulation, protect against contact with hot, sharp, or abrasive surfaces.	4	EA	\$35.00	\$140
Total Repair Cost						\$305
Cost per SF						\$0.01

Conditions noted in the Immediate Repair Cost Estimate are representative of the overall conditions of the property. There may be more detail on specific assessment components in the Report text, therefore the Immediate Repair Cost Estimate should not be used as a stand alone document.

Modified Capital Reserve Schedule

Property Name:	Pamida - 3215	Reserve Term:	12 Years
Location:	Hodgenville, Kentucky	Building Age:	7 Years
EMG Project Number:	76377_08R-129_054	Number Buildings:	1
		Square Footage:	34,994

Sec.	Component or System	EUL	EFF AGE	RUL	Quantity	Unit	\$ Cost	Cycle Replacement	Replace Percent	Probable Replacement Dates & Estimated Expenditures (\$)												Total Reserves		
										Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7	Year 8	Year 9	Year 10	Year 11	Year 12			
5.2	Seal Coat asphalt	7	4	3	46,000	SF	\$0.08	\$3,680	200%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$7,360	
6.4	Paint exterior walls	10	6	4	34,995	SF	\$0.45	\$15,748	100%	\$0	\$0	\$15,748	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$15,748
7.1	Replace roof top units - 3 tons	15	7	8	13	EA	\$6,500.00	\$84,500	100%	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$21,125	\$21,125	\$21,125	\$21,125	\$0	\$0	\$0	\$84,500
8.1	Replace carpet	7	4	3	100	SF	\$18.00	\$1,800	200%	\$0	\$0	\$1,800	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,600
	ANNUAL RESERVE (UNRELATED)									\$0	\$5,480	\$15,748	\$0	\$0	\$0	\$0	\$21,125	\$21,125	\$21,125	\$21,125	\$0	\$0	\$0	\$111,209
	EUL = Expected Useful Life (Average) EFF = Inflation Rate Factor									\$0	\$1,028.0	\$4,056	\$1,0769	\$0	\$0	\$0	\$1,191.4	\$1,189	\$0	\$0	\$0	\$0	\$0	\$1,312.1
	Effective Age of Building Components RUL = Remaining Useful Life (Estimated)									\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
	INFLATED RESERVE / SF / YEAR									\$0.29	\$0.28	\$0.45	\$0	\$0	\$0	\$0	\$0.55	\$0.55	\$0.55	\$0.55	\$0	\$0	\$0	\$0.32

Conditions noted in the Modified Capital Reserve Schedule are representative of the overall condition of the property. There may be more detail on specific assessment components in the Report text. (Review the Modified Capital Reserve Schedule in full for the most detailed assessment.)

1. EXECUTIVE SUMMARY

1.1. SUMMARY OF FINDINGS

Project Description

Item	Description
Executive Summary	The Retail property has one, single story building, containing 34,994 square feet and one tenant unit. The site area is approximately 5.50 acres. Construction of the property was completed in 1999. The property is occupied.

Pamida Hodgenville

Item	Description
Is the property currently under construction?	No
Site Capital Improvements	Re-striping of pavement

Pamida

Item	Description
Quantity of Buildings in this Group	One
Number of Tenant Units	One
Number of Stories	One
Year Built	1999
Net Building Area (SF)	34,994

1.2. FOLLOW UP RECOMMENDATIONS

No additional evaluation is necessary.

1.3. OPINIONS OF PROBABLE COST

These estimates are based on invoice or bid documents provided either by the Owner/facility and construction costs developed by construction resources such as R.S. Means, EMG's experience with past costs for similar properties, and assumptions regarding future economic conditions. Estimates for individual repair and replacements are attached to the front of this report, following the cover page.

1.3.1. Methodology

Based upon site observations, research, and judgment, along with referencing Expected Useful Life (EUL) tables from various industry sources, EMG opines as to when a system or component will most probably necessitate replacement. Accurate historical replacement records, if provided, are typically the best source of information. Exposure to the elements, initial quality and installation, extent of use, the quality and amount of preventive maintenance exercised, etc., are all factors that impact the effective age of a system or component. As a result, a system or component may have an effective age that is greater or less than its actual chronological age. The Remaining Useful Life (RUL) of a component or system equals the EUL less its effective age.

Where quantities could not be derived from an actual take-off, lump sum costs or allowances are used. Estimated costs are based on professional judgment and the probable or actual extent of the observed defect, inclusive of the cost to design, procure, construct and manage the corrections.

1.3.2. Immediate Repairs Costs

Immediate repairs are opinions of probable costs that require immediate action as a result of: (1) material existing or potential unsafe conditions, (2) material building or fire code violations, or (3) conditions that, if left unremedied, have the potential to result in or contribute to critical element or system failure within one year or will most probably result in a significant escalation of its remedial cost.

1.3.3. Modified Capital Reserves

Modified Capital Reserves are for recurring probable expenditures that are not classified as operation or maintenance expenses. The modified capital reserves should be budgeted for in advance on an annual basis. Capital reserves are reasonably predictable both in terms of frequency and cost. However, capital reserves may also include components or systems that have an indeterminable life but nonetheless have a potential liability for failure within an estimated time period.

Modified Capital Reserves exclude systems or components that are estimated to expire after the reserve term and that are not considered material to the structural and mechanical integrity of the subject property. Furthermore, systems and components that are not deemed to have a material effect on the use are also excluded. Costs that are caused by acts of God, accidents, or other occurrences that are typically covered by insurance, rather than reserved for, are also excluded.

Replacement costs are solicited from ownership/property management, EMG's discussions with service companies, manufacturers' representatives, and previous experience in preparing such schedules for other similar facilities. Costs for work performed by the ownership's or property management's maintenance staff are also considered.

EMG's reserve methodology involves identification and quantification of those systems or components requiring capital reserve funds within the evaluation period. The evaluation period is defined as the effective age plus the reserve term. Additional information concerning system's or component's respective replacement costs (in today's dollars), typical expected useful lives, and remaining useful lives were estimated so that a funding schedule could be prepared. The Modified Capital Reserve Schedule presupposes that all required remedial work has been performed or that monies for remediation have been budgeted for items defined in the Immediate Repairs Cost Estimate.

2. PURPOSE & SCOPE

2.1. PURPOSE

The purpose of this report is to assist the Client in evaluating the physical aspects of this property and how its condition may affect the Client's financial decisions over time. For this PCA, representative samples of the major independent building components were observed and their physical conditions were evaluated in accordance with ASTM E2018-01. These components include the site and building exteriors and representative interior areas. The estimated cost for repairs and/or capital reserve items is included in the enclosed cost tables. All findings relating to these opinions of probable costs are included in the relevant narrative sections of this Report.

The property management staff and code enforcement agencies were interviewed for specific information relating to the physical property, code compliance, available maintenance procedures, available drawings, and other documentation.

2.2. DEVIATIONS FROM GUIDE (ASTM E2018-01)

ASTM E2018-01 requires that any deviations from the Guide be so stated within the report. EMG's probable cost threshold limitation is reduced from the Guide's \$3,000 to \$1,000, thus allowing for a more comprehensive assessment on smaller scale properties. Therefore, EMG's opinions of probable costs that are individually less than a threshold amount of \$1,000 are typically omitted from this PCR. However, comments and estimated costs regarding identified deficiencies relating to life, safety or accessibility items are included regardless of this cost threshold.

In lieu of providing written record of communication forms, personnel interviewed from the facility and government agencies are identified in Section 2.5. Relevant information based on these interviews is included in Sections 2.5, 3.1, and other applicable report sections.

2.3. ADDITIONAL SCOPE CONSIDERATIONS

Items required by ASTM E2018-01 are included within the Property Condition Assessment (PCA) and the associated Property Condition Report (PCR). Additional 'non-scope' considerations were addressed as part of EMG's PCA/PCR. These additional items are identified as follows:

- PCA may be performed by a Professional Engineer and/or Registered Architect
- PCR may be reviewed by a Professional Engineer and/or Registered Architect other than the Field Observer
- Property disclosure information is obtained from EMG's Pre-survey Questionnaire in Section 2.7.
- A limited visual assessment for ADA accessibility utilizing EMG's Abbreviated Accessibility Checklist (see Section 3.2).
- A limited, visual assessment for the presence of visible mold growth, conditions conducive to mold growth, or evidence of moisture in readily accessible areas of the property.
- Preparation of the Modified Capital Reserves Schedule based upon a reserve term provided by the Client
- Provide a statement on the property's Remaining Useful Life
- Provide cross-reference indexing between cost tables and report text

- Provide Project At a Glance summary table
- Determination of Federal Emergency Management Agency (FEMA) Flood Plain Zone for single address
- Determination of Federal Emergency Management Agency (FEMA) Wind Zone for single address
- Determination of geographic Uniform Building Code Seismic Zone

2.4. PROPERTY'S REMAINING USEFUL LIFE ESTIMATE

Subject to the qualifications stated in this paragraph and elsewhere in this report, the Remaining Useful Life (RUL) of the property is not less than the following:

Item	Description
Property Remaining Useful Life (RUL) (years)	29

The Remaining Useful Life estimate is an expression of a professional opinion and is not a guarantee or warranty, expressed or implied. This estimate is based upon the observed physical condition of the property at the time of EMG's visit and is subject to the possible effect of concealed conditions or the occurrence of extraordinary events such as natural disasters or other 'acts of God' that may occur subsequent to the date of EMG's site visit.

The Remaining Useful Life for the property is further based on the assumption that: (a) the immediate repairs and future repairs for which replacement reserve funds are recommended are completed in a timely and workman-like manner, and (b) a comprehensive program of preventive and remedial property maintenance is continuously implemented using an acceptable standard of care. The Remaining Useful Life estimate is made only with regard to the expected physical or structural integrity of the improvements on the property, and no opinion regarding economic or market conditions, the present or future appraised value of the property, or its present or future economic utility, is expressed by EMG.

2.5. PERSONNEL INTERVIEWED

Pre-survey Questionnaire

Item	Description
Name	Libby Purvis
Company	Pamida
Phone number	270.358.0242
Date Completed	5/19/05
Relationship to Property	Assistant Store manager
Number of years with the company	6

City Hall

Item	Description
Government Agency Website	N/A
Agency Contact Name	Ms. Bonnie Clark
Agency Contact Title	City Clerk
Agency Phone Number	270.358.3832

2.6. DOCUMENTATION REVIEWED

Prior to the PCA, relevant documentation was requested that could aid in the knowledge of the subject property's physical improvements, extent and type of use, and/or assist in identifying material discrepancies between reported information and observed conditions. The review of submitted documents does not include comment on the accuracy of such documents or their preparation, methodology, or protocol.

Documentation Available for Review

Item	Description
Documents Reviewed	Site plan
Previous Report	No

No other documents were available for review.

2.7. PRE-SURVEY QUESTIONNAIRE

Item	Description
Name	Libby Purvis
Company	Pamida
Phone number	270.358.0242
Date Completed	5/19/05
Relationship to Property	Assistant Store manager
Number of years with the company	6
Pre-survey Questionnaire Filled Out By	Field Observer through an interview with Libby Purvis
1. Are you familiar with the current use of the property?	Yes
2. Are you familiar with the past use of the property?	Yes
3. Are you familiar with the building systems at the property?	Yes

Item	Description
4. Are you familiar with the capital expenditures over the past three (3) years?	Yes
5. Are you knowledgeable about the capital expenditures planned during the next year?	No
6. Does the property have full-time maintenance personnel on-site?	No
7. Have there been any capital improvements in the last five years?	No
8. Are there any unresolved building, fire, or zoning code issues?	No
9. Are there any "down", unusable units?	No
10. Are there any problems or hazards at the property?	No
11. Is site drainage adequate?	Yes
12. Has a termite inspection occurred within the last year?	No
13. Are there any problems with foundations or structures?	No
14. Is there any water infiltration in basements or crawl spaces?	NA
15. Are there any wall or window leaks?	No
16. Are there any poorly insulated areas?	No
17. Are there any current roof leaks at the property?	No
18. Are any roof finishes more than ten years old?	No
19. Is the roofing covered by a warranty or bond?	Unknown
20. Is Fire Retardant Treated (FRT) plywood used at the property?	No
21. Does the property have an exterior insulation and finish system (EIFS) with a synthetic stucco finish?	No
22. Do the utilities (electric, gas, sewer, water) provide adequate service?	Yes
23. Is the property served by an on-site water system?	No
24. Is the property served by an on-site septic system?	No
25. If present, do irrigation systems function properly?	NA
26. Are HVAC systems at the property inspected and maintained, at a minimum, annually?	Yes
27. Is the HVAC equipment more than ten years old?	No
28. Do any of the HVAC systems use R-11, 12, or 22 refrigerants?	Yes
29. Do tenants contract for their own HVAC work?	Yes

Item	Description
30. Has any HVAC system, or any other part of the property, ever contained visible suspect mold growth?	No
31. Has the property ever been tested for indoor air quality or suspect mold?	No
32. Is there a response action plan in place to prevent mold growth or respond to its presence?	Yes
a. Copy of response action plan available	No
b. Plan description	Immediate clean
33. Are the water heaters/boilers more than ten years old?	No
34. Is polybutylene piping used at the property?	No
35. Are there any plumbing leaks or water pressure problems?	No
36. Are there any leaks or pressure problems with natural gas service?	No
37. Does any part of the electrical system use aluminum wiring?	No
38. Do Residential units have a min. of 60-Amp service or Commercial units have a min. 200-Amp service?	Yes
39. Has elevator equipment been replaced in the last ten years?	NA
40. Are the elevators maintained by a contractor on a regular basis?	NA
41. Is the elevator emergency communication equipment functional?	NA
42. Is the elevator emergency communication equipment ADA compliant?	NA
43. Have the fire/life safety systems been inspected within the last year?	Yes
44. Are there any smoke evacuation or pressurization systems?	No
45. Are there any recalled Omega or Central brand fire sprinkler heads that have not yet been replaced?	No
46. Are there any emergency electrical generators?	No
47. Are the generators maintained on a regular basis?	NA
48. Do tenants contract for their own improvement work?	Yes
49. Are tenants responsible for any roof, HVAC, or exterior wall maintenance, repair, or replacement?	Yes
a. List of tenant responsibilities	Tenants are Responsible for property.

Item	Description
50. Have there been previous due diligence, engineering, environmental, or geological studies done?	Unknown
51. Is there any pending litigation concerning the property?	No
52. Is there anything else that EMG should know about when assessing this property?	Unknown
53. Has the management previously completed an ADA review?	No
54. Have any ADA improvements been made to the property?	No
55. Does a Barrier Removal Plan exist for the property?	No
56. Has the Barrier Removal Plan been reviewed/approved by an arms-length third party such as an engineering firm, architectural firm, building department, other agencies, etc.?	NA
57. Has building ownership or management received any ADA related complaints that have not been resolved?	No
58. Is any litigation pending related to ADA issues?	No

2.8. WEATHER CONDITIONS

Item	Description
Approximate Outdoor Temperature (degrees F)	70s
Weather Conditions	Clear
Wind Conditions	Light

3. CODE INFORMATION AND ACCESSIBILITY

3.1. CODE INFORMATION, FLOOD ZONE AND SEISMIC ZONE

Flood, Seismic, Wind

Item	Description
Wind Zone	Zone IV
Hurricane Susceptible Region or a Special Wind Region	Neither
Flood Zone	Zone X, defined as an area outside the 500-year flood plain with less than 0.2% annual probability of flooding. Annual Probability of Flooding of Less than one percent.
Seismic Zone	Zone 1, defined as an area of low probability of damaging ground motion.

City Hall

Item	Description
Information Researched	Building Inspection Frequency, Building Code Violations, Fire Department Inspection Frequency, Fire Code Violations, Zoning Designation, Zoning Conformance, Zoning Code Violations
Method of obtaining building inspection frequency	Telephone Conversation
Frequency of building inspections	Only inspect new construction, work that requires a building permit, or citizen complaints
Method of obtaining building code violations	Telephone Conversation
Are there any building code violations?	No
Method of obtaining fire department inspection frequency	Telephone Conversation
Fire department inspection frequency	None
Method of obtaining fire code violations	Telephone Conversation
Are there fire code violations?	No

Item	Description
Method of obtaining zoning designation	Telephone Conversation
Zoning Designation	B-2 Neighborhood business
Method of obtaining zoning code violations	Telephone Conversation
Are there zoning code violations?	No
Method of obtaining zoning conformance	Telephone Conversation
Zoning Conformance	Conforming use

3.2. ADA ACCESSIBILITY

Generally, Title III of the Americans with Disabilities Act (ADA) prohibits discrimination by entities to access and use of 'areas of public accommodations' and 'commercial facilities' on the basis of disability. Regardless of its age, these areas and facilities must be maintained and operated to comply with the Americans with Disabilities Act Accessibility Guidelines (ADAAG).

Buildings completed and occupied after January 26, 1992 are required to comply fully with the ADAAG. Existing facilities constructed prior to this date are held to the lesser standard of compliance to the extent allowed by structural feasibility and the financial resources available. As an alternative, a reasonable accommodation pertaining to the deficiency must be made.

During the PCA, a limited visual observation for ADA accessibility compliance was conducted. The scope of the visual observation was limited to those areas set forth in EMG's Abbreviated Accessibility Checklist shown below. Other ADA questions concerning building history were asked as part of the Pre-Survey Questionnaire as seen in Section 2.7. It is understood by the Client that the limited observations described herein does not comprise a full ADA Compliance Survey, and that such a survey is beyond the scope of EMG's undertaking. Only a representative sample of areas was observed and, other than as shown on the Abbreviated Accessibility Checklist, actual measurements were not taken to verify compliance. ADA compliance issues inside tenant spaces are not within the scope of the survey.

Any cost estimates listed below indicate repairs to items that appear not accessible as defined by Title III of the Americans with Disabilities Act. A full ADA Compliance Survey may reveal aspects of the property that are not in compliance.

Americans with Disabilities Act

Item	Description
Compliance	At a retail property where there are no interior common areas, the areas considered as public accommodations are the site itself, parking, and access up to the tenant lease lines. At a retail property where there are interior common areas, the interior accessible route up to the tenant lease lines, and the interior common areas, including the common area restrooms should also be accessible.

Parking

Item	Description
Are there sufficient parking spaces with respect to the total number of reported spaces?	Yes
Are there sufficient van-accessible parking spaces available (96" wide/96" aisle for van)?	Yes
Are accessible spaces marked with the International Symbol of Accessibility?	Yes
Are there signs reading "Van Accessible" at van spaces?	No
Is there at least one accessible route provided within the boundary of the site from public transportation stops, accessible parking spaces, passenger loading zones, if provided, and public streets and sidewalks?	Yes
Do curbs on the accessible route have depressed, ramped curb cuts at drives, paths, and drop-offs?	NA
Does signage exist directing you to accessible parking and an accessible building entrance?	No
Total Cost for ADA Parking Upgrades	\$165.00
Total Cost for Follow-up Studies	\$0.00

Follow-up Study

- None recommended.

Immediate Repairs

Item	Description
Repair	Adequate number of designated parking stalls and signage for cars are not provided.
Cost per Unit	\$165.00
Quantity (EA)	1
Total Repair Cost	\$165.00

Reserve Cost

- No reserve costs are identified over the evaluation period.

Ramps

Item	Description
If there is a ramp from parking to an accessible building entrance, does it meet slope requirements (1:12 max)?	NA
Are ramps longer than six (6) feet complete with railings on both sides?	NA
Is the width between railings at least 36 inches?	NA
Is there a level landing for every 30 feet horizontal length of ramp, at the top and at the bottom of ramps and switchbacks?	NA
Total Cost for ADA Ramps Upgrades	\$0.00
Total Cost for Follow-up Studies	\$0.00

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Entrances/Exits

Item	Description
Is the main accessible entrance doorway at least 32 inches wide?	Yes
If the main entrance is inaccessible, are there alternate accessible entrances?	Yes
Can the alternate accessible entrance be used independently?	Yes
Is the door hardware easy to operate (lever/push type hardware, no twisting required, and not higher than 48 inches above the floor)?	Yes
Are main entry doors other than revolving doors available?	Yes
If there are two main doors in series, is the minimum space between the doors 48 inches plus the width of any door swinging into the space?	Yes
Total Cost for ADA Entrances and Exits Upgrades	\$0.00
Total Cost for Follow-up Studies	\$0.00

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Paths of Travel

Item	Description
Is the main path of travel free of obstruction and wide enough for a wheelchair (at least 36 inches wide)?	Yes
Does a visual scan of the main path reveal any obstacles (phones, fountains, etc.) that protrude more than 4 inches into walkways or corridors?	No
Are floor surfaces firm, stable, and slip resistant (carpets wheelchair friendly)?	Yes
Is at least one wheelchair-accessible public telephone available?	Yes
Are wheelchair-accessible facilities (toilet rooms, exits, etc.) identified with signage?	Yes
Is there a path of travel that does not require the use of stairs?	Yes
If audible fire alarms are present, are visual alarms (strobe light alarms) also installed in all common areas?	NA
Is the water fountain handicapped accessible?	Yes
Does the stair handrail extend at least 12 inches beyond the top riser and at 12 inches plus the width of one tread beyond the bottom riser?	Yes
Total Cost for ADA Paths of Travel Upgrades	\$0.00
Total Cost for Follow-up Studies	\$0.00

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Restrooms

Item	Description
Are common area public restrooms located on an accessible route?	Yes
Are pull handles push/pull or lever type?	Yes

Item	Description
Are there audible and visual fire alarm devices in the toilet rooms?	No
Are corridor access doors wheelchair accessible (at least 32 inches wide)?	Yes
Are public restrooms large enough to accommodate a wheelchair turnaround (60" turning diameter)?	Yes
In unisex toilet rooms, are there safety alarms with pull cords?	NA
Stall Door 32" Wide	Yes
Are grab bars provided in toilet stalls?	Yes
Are sinks provided with clearance for a wheelchair to roll under (29" clearance)?	Yes
Are sink handles operable with one hand without grasping, pinching, or twisting?	Yes
Are exposed pipes under sink sufficiently insulated against contact?	No
Are soap dispensers, towel, etc. reachable (48" from floor for frontal approach, 54" for side approach)?	Yes
Is the base of the mirror no more than 40" from the floor?	Yes
Total Cost for ADA Restroom Upgrades	\$140.00
Total Cost for Follow-up Studies	\$0.00

Follow-up Study

- None recommended.

Immediate Repairs

Item	Description
Repair	Wrap drain pipes below lavatory with insulation; protect against contact with hot, sharp, or abrasive surfaces.
Cost per Unit	\$35.00
Quantity (EA)	4
Total Repair Cost	\$140.00

Reserve Cost

- No reserve costs are identified over the evaluation period.

3.3. MOLD AND MOISTURE

EMG interviewed property personnel concerning any known or suspected mold contamination, water infiltration, or mildew-like odor problems. This assessment does not constitute a comprehensive mold survey of the property. EMG did not note obvious visual indications of the presence of mold, conditions conducive to mold, or evidence of moisture in readily accessible interior areas of the property. No further action or investigation is recommended regarding mold at the property. Sampling was not conducted as part of the assessment.

4. EXISTING BUILDING EVALUATION

4.1. TENANT UNIT TYPES

Pamida Hodgenville

Item	Description
Single or Multiple Tenants	Single

4.2. TENANT UNITS OBSERVED

Typical

Item	Description
Observations	All air vents require cleaning.

5. SITE IMPROVEMENTS

5.1. UTILITIES

Utilities

Item	Description
Gas Company	Louisville Gas and Electric company
Electric Company	Kentucky utilities
Storm Sewer Company	Hodgenville Water Works
Sanitary Sewer Company	Hodgenville Water Works
Water Company	Hodgenville Water Works
Fuel Oil On Site	No
Natural or Propane Gas	Natural
Storm Water Lift Station	No

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

5.2. PARKING, PAVING AND SIDEWALKS

Pamida Hodgenville

Item	Description
Main Ingress and Egress	West Main Connector

Roadways

Item	Description
Paving or Surfacing	Asphalt
Curbs or Edging	None
Gutter	None
Guardrails or Barriers	None

Item	Description
Other Roadway Elements	None observed

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Parking Lot

Item	Description
Paving or Surfacing	Asphalt
Curbs or Edging	None
Gutters	None
Guardrails or Barriers	None

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

Item	Description
Physical Deficiency	2
Repair	Seal Coat asphalt
Expected Useful Life (EUL) in years	7
Effective Age (years)	4
Percentage Replacement	200%
Replacement Cost per Unit	\$0.08
Quantity (SF)	46,000
Cost per Instance	\$3,680.00
Total Replacement Cost	\$7,360.00
Cost in Year 3	\$3,680.00
Cost in Year 10	\$3,680.00

Item	Description
Responsibility	Tenant

Parking Count

Item	Description
Parking spaces located in	Parking lot
Total Number of Parking Spaces	154
Number of ADA Compliant Spaces	6
Number of ADA Compliant Spaces for Vans	5
Method of obtaining parking count	Physically counted
Parking Ratio (Parking Count/1,000 SF)	4.40

Sidewalks

Item	Description
Paving or Surfacing	Concrete
Curb or Edging	Concrete

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Loading Docks

Item	Description
Paving or Surfacing	Concrete
Accessories	Dock Bumpers, Levelers, Lifters

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

5.3. DRAINAGE SYSTEM AND EROSION CONTROL

Drainage

Item	Description
Roadway Drainage	To adjacent landscaped area
Parking Lot Drainage	To adjacent landscaped area

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Utilities

Item	Description
Storm Water Discharge	Ditch or culvert

5.4. TOPOGRAPHY AND LANDSCAPING

Landscaping

Item	Description
Grasses and Plantings	Grass, Trees, Bushes
Planter Material	No planters
Type of Irrigation System	None

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Topography and Surrounding Properties

Item	Description
Topography	The property is relatively flat.
Surrounding Properties	Residential, Office, Vacant/Undeveloped

5.5. GENERAL SITE IMPROVEMENTS

Signage

Item	Description
Property Identification Sign	Pylon sign
Illuminated Sign	Yes
Location of Property ID Sign	Main entrance drive
Tenant or Street Address Signs	Tenant, Street Address
Location of Tenant Signage	Front elevation of building
Location of Street Address Sign	Front elevation of building

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Dumpsters or Trash Compactors

Item	Description
Dumpsters or Compactors	Dumpster
Dumpster Enclosure	None
Dumpster Responsibility	Refuse Removal Contractor
Location	Dumpster is located at rear of building.

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Site Lighting

Item	Description
Site Light Fixtures	Pole lights
Light Pole	Metal
Location of Site Lighting	Throughout parking lot

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

6. BUILDING ARCHITECTURAL AND STRUCTURAL SYSTEMS

6.1. FOUNDATIONS

Typical

Item	Description
Structural Plans Reviewed	No
Source of Substructure Information	Based on structures of similar size, configuration, and geographic location
Foundation Type	Slab on grade
Previous Repairs	None observed.

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

6.2. SUPERSTRUCTURE

Superstructure

Item	Description
Concealed or Exposed	Exposed
Superstructure	Columns, Bearing Walls
Bearing Wall Construction	Described in the Exterior Walls section
Column Type	Steel
Previous Repairs	None observed.

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

6.3. ROOFING

Roof Construction

Item	Description
Roof Access	Yes
Type of Roof Access	Roof hatch
Roof Hatch Location	The roof hatch is located in the rear warehouse area
Roof Type	Flat
Roof Framing Type	Steel joists/purlins and beams
Roof Sheathing	Metal
Attic	No
Roof Insulation	Rigid
Base Flashing Type	Sheet metal
Roof Edge Flashing	Sheet Metal
Fascia	Metal
Soffit	Metal
Parapet Construction	Same as exterior wall
Parapet Coping	Sheet metal
Roof Drainage	Gutter(s), Downspout(s), Scupper(s)
Gutter Material	Aluminum
Downspout Material	Aluminum
Scupper	In parapet
Roof drains to	To splash block at grade

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Roof Construction -> Roof Finish

Item	Description
Roof Finish Type	Single Ply Membrane
Single-ply Fastening and Finishing Method	Mechanically fastened - no topping
Roof Warranty	Information not available
Traffic Toppings or Paving Membranes	No
Previous Repairs	None observed.

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

6.4. EXTERIOR WALLS

Exterior Wall

Item	Description
Wall Construction	CMU
Exterior Wall Finish	CMU
Exposed Structure or Veneer	Exposed Structure
Painted or Stained	Painted

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

Item	Description
Physical Deficiency	CMU walls on both sides showing efflorescence. This should be repaired as part of the Routine maintenance program.
Repair	Paint exterior walls

Item	Description
Expected Useful Life (EUL) in years	10
Effective Age (years)	6
Percentage Replacement	100%
Replacement Cost per Unit	\$0.45
Quantity (SF)	34,995
Total Replacement Cost	\$15,747.75
Cost in Year 4	\$15,747.75
Responsibility	Tenant

6.5. EXTERIOR AND INTERIOR STAIRS

Typical Interior Stairs

Item	Description
Stair Material	Concrete
Handrail Material	Metal
Balustrade Material	None
Stair Finish	Rubber

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

6.6. WINDOWS AND DOORS

Typical Storefront

Item	Description
Construction	Aluminum framed, single glazed

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Typical Exterior Door

Item	Description
Exterior Door Type	Overhead, Solid
Quantity of overhead doors	One
Overhead door construction	Flush paneled metal
Mechanical or automatic door opener	Automatic
Solid door use	Service
Solid doors manual or automatic	Manual
Solid door construction	Steel

Follow-up Study

- None recommended.

Immediate Repairs

Item	Description
Physical Deficiency	Showing signs of water intrusion
Repair	Routine Maintenance - Re-caulk and repair drywall

Reserve Cost

- No reserve costs are identified over the evaluation period.

6.7. BALCONIES

Not applicable. There are no balconies on site.

6.8. COMMON AREAS, ENTRANCES AND CORRIDORS

Not applicable. No interior common areas exist at the property. See Section 8 for descriptions of the tenant spaces.

7. BUILDING MECHANICAL AND ELECTRICAL SYSTEMS

7.1. BUILDING HEATING, VENTILATING AND AIR CONDITIONING (HVAC)

Mechanical System

Item	Description
Routine Maintenance Performed	Annually
Contractor or In-house	Contractor

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Mechanical System -> Typical Packaged Unit

Item	Description
Refrigerant	R-22
Heat	Gas fired
Capacity (tons)	2-4
Quantity	13

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

Item	Description
Repair	Replace roof top units - 3 tons
Expected Useful Life (EUL) in years	15
Effective Age (years)	7
Percentage Replacement	100%

Item	Description
Replacement Cost per Unit	\$6,500.00
Quantity (EA)	13
Total Replacement Cost	\$84,500.00
Cost in Year 8	\$21,125.00
Cost in Year 9	\$21,125.00
Cost in Year 10	\$21,125.00
Cost in Year 11	\$21,125.00

Mechanical System -> Warehouse

Item	Description
List of other mechanical equipment	Space heater

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

7.2. BUILDING PLUMBING

Typical Plumbing Fixtures

Item	Description
Plumbing Fixtures	Water closet, Urinal, Lavatory
Low Flow Water Closet	Yes
Vanity Material	Laminated wood
Vanity Top	Laminated wood
Commercial Grade	Yes

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Distribution System

Item	Description
Water Distribution Pipe Material	Copper
Sanitary Waste and Vent Pipe Material	PVC
Storm Water Pipe Material	PVC
Water Meter Location	Underground vault near street
Other Distribution Equipment	None

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Typical Domestic Water Heating

Item	Description
Domestic hot water generated by	Water heater
Fuel Used	Electric
Electrical Input ()	Small capacity.
Residential or Commercial	Residential
Capacity (gal)	30
Quantity	One
Hot Water Storage Tanks	No

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

7.3. BUILDING GAS DISTRIBUTION

Typical Gas Distribution

Item	Description
Gas Distribution Pipe Material	Malleable steel / Black Iron
Gas Meter	Exterior mounted

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

7.4. BUILDING ELECTRICAL

Site Distribution and Exterior Building Lighting

Item	Description
Main Electrical Distribution Lines	Below ground
Site Electrical Transformer Location	Pole mounted
Exterior Building Mounted Lights	Wall mounted

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Typical Building Electrical System

Item	Description
Electrical Meter	Exterior mounted
Service Size (Amperage)	600
Voltage	277/480V, Three phase, 4-wire
Stepdown Transformers	Yes

Item	Description
Transformer Location	Step-down transformers are located in the mechanical room.
Electrical Distribution Panels	Circuit breakers

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Typical Lighting and Branch Wiring

Item	Description
Electrical Branch Wiring	Copper
Conduit	Metallic conduit
Interior Lighting	Fluorescent

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

7.5. BUILDING ELEVATORS AND CONVEYING SYSTEMS

Not applicable. There are no elevators, lifts, or other conveying systems at the property.

7.6. FIRE PROTECTION SYSTEMS

Fire and Life Safety System

Item	Description
Fire Alarm System Components	Smoke detectors, Audible alarms, Strobe lights, Central fire alarm panel
Smoke Detectors Hardwired or Battery Operated	Hardwired
Central Fire Alarm Panel Location	Front lobby

Item	Description
Fire Extinguishers	Yes
Fire Extinguisher Inspection Date	Not tagged
Distance to Nearest Fire Hydrant (ft)	1000
Fire Protection Specialties	Battery back-up exit lights, Illuminated exit signs
Kitchen Suppression Systems	No
Smoke Evacuation Systems	No
Fire-rated Stairwells	No
Fire-Rated Doors Observed	No

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Fire and Life Safety System -> Typical Sprinkler System

Item	Description
Sprinkler System	Wet sprinkler
Sprinkler Pipe Material	Steel
Omega or Central Brand Sprinkler Heads	No
Sprinkler Standpipes	No
Fire Pump	No
Siamese Connection	Yes
Check Valve	Yes

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

8. TENANT SPACES

8.1. INTERIORS

Service door drywall Interior Finishes

Item	Description
Wall Finish	Drywall
Painted	Yes
Applied Wall Coverings	No
Floor Finish	Vinyl tile
Ceiling Finish	Suspended T-bar with acoustic tile

Follow-up Study

- None recommended.

Immediate Repairs

Item	Description
Physical Deficiency	drywall at exterior doors showing signs of water intrusion
Repair	Routine Maintenance - Recaulk and repair drywall

Reserve Cost

- No reserve costs are identified over the evaluation period.

Sales area Interior Finishes

Item	Description
Wall Finish	Drywall
Painted	Yes
Applied Wall Coverings	No
Floor Finish	Carpet, Vinyl tile
Ceiling Finish	Suspended T-bar with acoustic tile

Follow-up Study

- None recommended.

Immediate Repairs

Item	Description
Physical Deficiency	Ceiling tiles damaged from previously repaired HVAC condensate leakage.
Repair	Routine Maintenance - Replace all damaged ceiling tiles.

Reserve Cost

Item	Description
Repair	Replace carpet
Expected Useful Life (EUL) in years	7
Effective Age (years)	4
Percentage Replacement	200%
Replacement Cost per Unit	\$18.00
Quantity (SY)	100
Cost per Instance	\$1,800.00
Total Replacement Cost	\$3,600.00
Cost in Year 3	\$1,800.00
Cost in Year 10	\$1,800.00
Responsibility	Tenant

Office area Interior Finishes

Item	Description
Wall Finish	Drywall
Painted	Yes
Applied Wall Coverings	No
Floor Finish	Vinyl tile
Ceiling Finish	Suspended T-bar with acoustic tile

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Restroom Interior Finishes

Item	Description
Wall Finish	Drywall
Painted	Yes
Applied Wall Coverings	No
Floor Finish	Vinyl tile
Ceiling Finish	Suspended T-bar with acoustic tile

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

Warehouse area Interior Finishes

Item	Description
Wall Finish	CMU block, Drywall
Painted	Yes
Applied Wall Coverings	No
Floor Finish	Unfinished
Ceiling Finish	Exposed (unfinished), Suspended T-bar with acoustic tile

Follow-up Study

- None recommended.

Immediate Repairs

- No physical deficiencies are identified.

Reserve Cost

- No reserve costs are identified over the evaluation period.

8.2. KITCHEN EQUIPMENT

Not applicable. There is no kitchen equipment on site.

8.3. HVAC

See Section 7.1 for a description of the HVAC systems.

8.4. PLUMBING

See Section 7.2 for description of plumbing systems.

8.5. ELECTRICAL

See Section 7.4 for description of the electrical systems.

9. CERTIFICATION

EMG has completed a Property Condition Assessment (PCA) of the subject property listed on the cover page. The PCA was performed at the Client's request using methods and procedures consistent with good commercial and customary practice conforming with ASTM E2018-01, Standard Guide for Property Condition Assessments: Baseline Property Condition Assessment Process. Within this Property Condition Report (PCR), EMG's reference to the Client follows the ASTM guide's definition of User, that is, the party that retains EMG for the preparation of a baseline PCA of the subject property. A User may include, without limitation, a purchaser, potential tenant, owner, existing or potential mortgagee, lender, or property manager of the subject property.

This report is addressed to Citigroup Global Markets Realty Corp., Barclays Capital Real Estate Inc. Corporation ("BCRE"), Spirit Finance Corporation, and their affiliates. Citigroup Global Markets Realty Corp., BCRE, Spirit Finance Corporation (a Maryland Corporation), and their affiliates, their respective successors and assigns (including, without limitation, investors who purchase the mortgage loan or a participation interest in the mortgage loan and the trustee in a securitization that includes the mortgage loan), each servicer of the mortgage loan, and all rating agencies involved in any sale, securitization or syndication involving the mortgage loan may use and rely upon this Report, including, without limitation, utilizing selected information from the Report in the offering materials (either in electronic or hard copy format) relating to any sale, securitization or syndication involving the mortgage loan. The Assessor agrees to cooperate in answering questions by any of the above parties in connection with the sale, securitization or syndication, as communicated by BCRE personnel. In addition, this Report or a reference to this Report may be included or quoted in any offering circular, registration statement, prospectus or sales brochure (either in electronic or hard copy format) in connection with a sale, securitization or syndication, or transaction involving such debt and or debt securities.

The purpose for which this report shall be used shall be limited to the use as stated in the contract between the client and EMG.

This report is not for the use or benefit of, nor may it be relied upon by any other person or entity except Citigroup Global Markets Realty Corp, BCRE, Spirit Finance Corporation (a Maryland Corporation), and their affiliates, their respective successors and assigns, for any purpose without the advance written consent of EMG. In expressing the opinions stated in this report, EMG has exercised the degree of skill and care ordinarily exercised by a reasonable prudent environmental professional in the same community and in the same time frame given the same or similar facts and circumstances. Documentation and data provided by the Client, designated representatives of the Client or other interested third parties, or from the public domain, and referred to in the preparation of this assessment, have been used and referenced with the understanding that EMG assumes no responsibility or liability for their accuracy.

The opinions EMG expresses in this report were formed utilizing the degree of skill and care ordinarily exercised by any prudent architect or engineer in the same community under similar circumstances. EMG assumes no responsibility or liability for the accuracy of information contained within this report that has been obtained from the Client or the Client's representatives, from other interested parties, or from the public domain. The conclusions presented represent EMG's professional judgment based on information obtained during the course of this assignment. EMG's evaluations, analyses, and opinions are not representations regarding either the design integrity, structural soundness, or actual value of the property. Factual information regarding operations, conditions, and test data provided by the Client or the Client's representative has been assumed to be correct and complete. The conclusions presented within this report are based on the data provided, observations made, and conditions that existed specifically on the date of the

assessment.

EMG certifies that EMG has no undisclosed interest in the subject property, that EMG's relationship with the Client is at arms-length, and that EMG's employment and compensation are not contingent upon the findings or estimated costs to remedy any noted deficiencies due to deferred maintenance and/or any noted component or system replacements.

EMG's PCA cannot wholly eliminate the uncertainty regarding the presence of physical deficiencies and/or the performance of a subject property's building systems. Preparation of a PCR in accordance with ASTM E2018-01 is intended to reduce, but not eliminate, the uncertainty regarding the potential for component or system failure and to reduce the potential that such component or system failure may not be initially observed. This PCR was prepared recognizing the inherent subjective nature of EMG's opinions as to such issues as workmanship, quality of original installation, and estimating the remaining useful life of any given component or system. It should be understood that EMG's suggested remedy may be determined under time constraints or may be formed without the aid of engineering calculations, testing, exploratory probing, the removal of materials, or design. Furthermore, there may be other alternate or more appropriate schemes or methods to remedy the noted physical deficiencies. EMG's opinions are generally formed without detailed knowledge from individuals familiar with the performance of noted components or systems.

Any questions regarding this report should be directed to the Senior Engineering Consultant (SEC) listed on the cover page of this report.

Prepared By: David Horton, Field Observer



Reviewed By: _____
Scott Brown
PCR Reviewer
Senior Engineering Consultant

APPENDICES

Appendix A: PHOTOGRAPHS

Appendix B: SITE PLAN AND FLOOR PLANS

Appendix C: SUPPORTING DOCUMENTATION

Appendix D: ACRONYMS AND OUT OF SCOPE ITEMS

Appendix E: RESUMES FOR REPORT REVIEWER AND FIELD OBSERVER

APPENDIX A: PHOTOGRAPHS



Photo #1: Front elevation of building. Section 6.4



Photo #2: South elevation of building. Section 6.4



Photo #3: North elevation of building. Section 6.4



Photo #4: Rear elevation of building. Section 6.4



Photo #5: Roof overview. Section 6.3



Photo #6: Parking overview. Section 5.2



Photo #7: Water vault. Section 5.1



Photo #8: Gas meter and regulator. Section 5.1



Photo #9: Electric meter. Section 5.1



Photo #10: Pole mounted transformers. Section 5.1



Photo #11: Circuit breaker panels. Section 5.1



Photo #12: Water heater. Section 7.2



Photo #13: Rooftop unit. Section 7.1



Photo #14: Sprinkler head. Section 7.6



Photo #15: Fire hydrant. Section 7.6



Photo #16: Sprinkler riser. Section 7.6



Photo #17: Emergency light and exit sign above drywall damaged door. Section 7.6



Photo #18: Storefront. Section 6.6



Photo #19: Tenant sales area. Section 8.1



Photo #20: Tenant sales area. Section 8.1



Photo #21: Tenant sales area. Section 8.1



Photo #22: Tenant office area. Section 8.1



Photo #23: Tenant restroom vanities. Section 8.1



Photo #24: Tenant water closet. Section 8.1



Photo #25: Warehouse area. Section 8.1



Photo #26: Dumpster. Section 5.5



Photo #27: CMU wall efflorescence. Section 6.4



Photo #28: CMU wall efflorescence. Section 6.4



Photo #29: Interior stair. Section 6.5

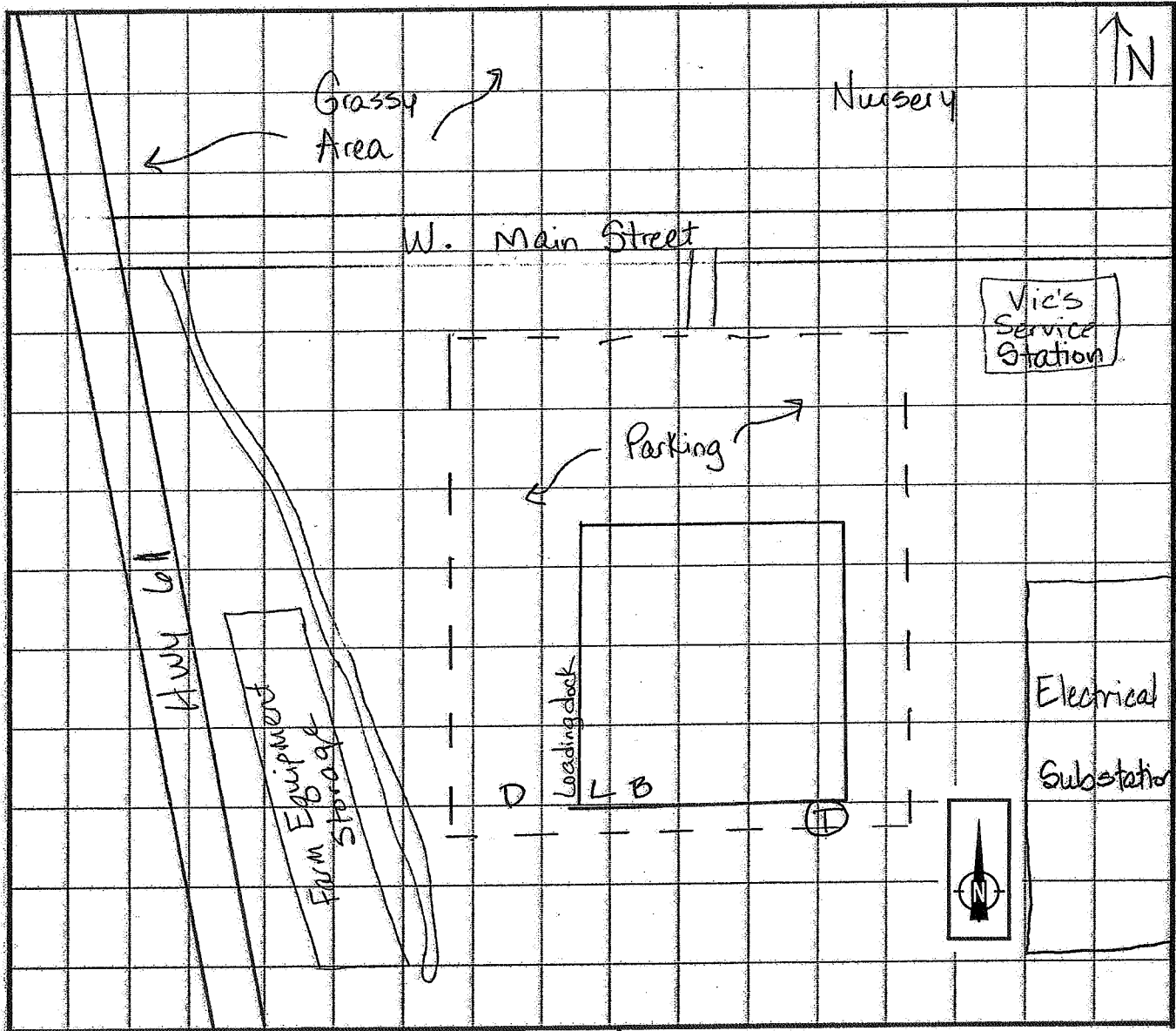


Photo #30: Damaged ceiling tiles. Section 8.1



Photo #31:	Outdoor garden. Section 5.4
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APPENDIX B: SITE PLAN AND FLOOR PLANS



Project Number: 70599.05R-134.042

Project Name: Pamida

Description: Site Plan

The north arrow indicator is an approximation of 0°North

APPENDIX C: SUPPORTING DOCUMENTATION

**THIS DOCUMENTATION IS NOT INCLUDED
IN THE REPORT.**

APPENDIX D: ACRONYMS AND OUT OF SCOPE ITEMS

Item	Description
ADA	The Americans with Disabilities Act
ASTM	American Society for Testing and Materials
BOMA	Building Owners & Managers Association
BUR	Built-up Roofing
DWV	Drainage, Waste, Ventilation
EIFS	Exterior Insulation and Finish System
EMF	Electro Magnetic Fields
EMS	Energy Management System
EUL	Expected Useful Life
FEMA	Federal Emergency Management Agency
FFHA	Federal Fair Housing Act
FIRMS	Flood Insurance Rate Maps
FRT	Fire Retardant Treated
FOIA	U.S. Freedom of Information Act (5 USC 552 et seq.) and similar state statutes.
FOIL	Freedom of Information Letter
FM	Factory Mutual
HVAC	Heating, Ventilating and Air Conditioning
IAQ	Indoor Air Quality
MEP	Mechanical, Electrical & Plumbing
NEPA	National Fire Protection Association
PCA	Property Condition Assessment
PCR	Property Condition Report
PML	Probable Maximum Loss
POC	Point of Contact
RFI	Request for Information
RTU	Rooftop Unit
RUL	Remaining Useful Life

PROPERTY CONDITION

ASSESSMENT

76377.06R-129.054

Item	Description
STC	Sound Transmission Class
UBC	Uniform Building Code

Item	Description
8.4.1.8	Utilities: Operating conditions of any systems or accessing manholes or utility pits.
8.4.2.2	Structural Frame and Building Envelope: Entering of crawl or confined space areas (however, field observer should observe conditions to the extent easily visible from the point of access to the crawl or confined space areas), determination of previous substructure flooding or water penetration unless easily visible or if such information is provided.
8.4.3.2	Roofs: Walking on pitched roofs, or any roof areas that appear to be unsafe, or roofs with no built-in access, or determining any roofing design criteria.
8.4.4.2	Plumbing: Determining adequate pressure and flow rate, fixture-unit values and counts, or verifying pipe sizes and verifying the point of discharge for underground systems.
8.4.5.2	Heating: Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant-owned or maintained equipment.
8.4.6.2	Air Conditioning and Ventilation: Evaluation of process related equipment or condition of tenant owned/maintained equipment.
8.4.7.2	Electrical: Removing of electrical panel covers, except if removed by building staff, EMF issues, electrical testing, or operating of any electrical devices. Process related equipment or tenant owned equipment.
8.4.8.2	Vertical Transportation: Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/escalator pits or shafts
8.4.9.1	Life Safety / Fire Protection: Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies.
8.4.10.2	Interior Elements: Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.
11.1	Activity Exclusions - The activities listed below are generally excluded from or otherwise represent limitations to the scope of a PCA prepared in accordance with this guide. These should not be construed as all-inclusive or implying that any exclusion not specifically identified is a PCA requirement under this guide.
11.1.1	Removing or relocating materials, furniture, storage containers, personal effects, debris material or finishes; conducting exploratory probing or testing; dismantling or operating of equipment or appliances; or disturbing personal items or property which obstructs access or visibility.

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Item	Description
11.1.2	Preparing engineering calculations (civil, structural, mechanical, electrical, etc.) to determine any system's, component's, or equipment's adequacy or compliance with any specific or commonly accepted design requirements or building codes, or preparing designs or specifications to remedy any physical deficiency.
11.1.3	Taking measurements or quantities to establish or confirm any information or representations provided by the owner or user such as: size and dimensions of the subject property or subject building, any legal encumbrances such as easements, dwelling unit count and mix, building property line setbacks or elevations, number and size of parking spaces, etc.
11.1.4	Reporting on the presence or absence of pests such as wood damaging organisms, rodents, or insects unless evidence of such presence is readily apparent during the course of the field observer's walk-through survey or such information is provided to the consultant by the owner, user, property manager, etc. The consultant is not required to provide a suggested remedy for treatment or remediation, determine the extent of infestation, nor provide opinions of probable costs for treatment or remediation of any deterioration that may have resulted.
11.1.5	Reporting on the condition of subterranean conditions such as underground utilities, separate sewage disposal systems, wells; systems that are either considered process-related or peculiar to a specific tenancy or use; waste water treatment plants; or items or systems that are not permanently installed.
11.1.6	Entering or accessing any area of the premises deemed to pose a threat of dangerous or adverse conditions with respect to the field observer or to perform any procedure, which may damage or impair the physical integrity of the property, any system, or component.
11.1.7	Providing an opinion on the condition of any system or component, which is shutdown, or whose operation by the field observer may significantly increase the registered electrical demand-load. However, consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, manufacturer, etc.
11.1.8	Evaluating acoustical or insulating characteristics of systems or components.
11.1.9	Providing an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access.
11.1.10	Operating or witnessing the operation of lighting or other systems typically controlled by time clocks or that are normally operated by the building's operation staff or service companies.
11.1.11	Providing an environmental assessment or opinion on the presence of any environmental issues such as asbestos, hazardous wastes, toxic materials, the location and presence of designated wetlands, IAQ, etc.
11.2	Warranty, Guarantee and Code Compliance Exclusions - By conducting a PCA and preparing a PCR, the consultant is merely providing an opinion and does not warrant or guarantee the present or future condition of the subject property, nor may the PCA be construed as either a warranty or guarantee of any of the following:

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Item	Description
11.2.1	any system's or component's physical condition or use, nor is a PCA to be construed as substituting for any system's or equipment's warranty transfer inspection;
11.2.2	compliance with any federal, state, or local statute, ordinance, rule or regulation including, but not limited to, building codes, safety codes, environmental regulations, health codes or zoning ordinances or compliance with trade/design standards or the standards developed by the insurance industry. However, should there be any conspicuous material present violations observed or reported based upon actual knowledge of the field observer or the PCR reviewer, they should be identified in the PCR;
11.2.3	compliance of any material, equipment, or system with any certification or actuation rate program, vendor's or manufacturer's warranty provisions, or provisions established by any standards that are related to insurance industry acceptance/approval such as FM, State Board of Fire Underwriters, etc.
11.3	Additional/General Considerations:
11.3.1	Further Inquiry - There may be physical condition issues or certain physical improvements at the subject property that the parties may wish to assess in connection with a commercial real estate transaction that are outside the scope of this guide. Such issues are referred to as non-scope considerations and if included in the PCR, should be identified under Section 10.9.
11.3.2	Non-Scope Considerations - Whether or not a user elects to inquire into non-scope considerations in connection with this guide is a decision to be made by the user. No assessment of such non-scope considerations is required for a PCA to be conducted in compliance with this guide.

**APPENDIX E: RESUMES FOR REPORT REVIEWER
AND FIELD OBSERVER**

M. SHANE TOTTEN*Technical Relationship Manager***Education**

- Master of Architecture with Honors in Urban Design Minor at North Carolina State University, 1995
- Bachelor of Environmental Design in Architecture at North Carolina State University, 1989
- Extensive graduate coursework in Urban/Regional Planning, 1990-1993

Project Experience

- *Architectural Firm, Atlanta, GA* - Prior to coming to EMG, Mr. Totten was employed as an intern architect where he worked on designing 12 new homes as well as many additions to existing structures. Mr. Totten also was a volunteer project manager, where he did over 20 partial or complete home renovations. His volunteer experience was similar to the "Habitat for Humanity" project, except it only works with existing housing. The houses range from just needing weatherization to complete rehabilitation. Mr. Totten served on the board of directors of the charity and oversaw the renovation program for six years. Over that time the Company did over 75 homes with which he had contact.
- *Construction Company, Atlanta, GA* - Mr. Totten has an extensive design and project management history in the adaptive reuse of existing facilities. The range of buildings Mr. Totten has redesigned for use include stand alone retail less than 2,000 square feet, apartment to condominium conversions, and industrial and retail to multi-family residential conversions approaching 100,000 square feet. The complexity of such projects varied from mere interior renovations to complete building systems renovations including structural improvements.
- *Warehouse, Athens, GA* - Originally a cotton exchange facility, this 90,000 square foot retail/warehouse facility is located in Athens' Central Business District. Commissioned by private developers, this facility was converted to a mixed-use facility containing multi-family residential, retail, and commercial office space. Mr. Totten served as Project Manager responsible for design coordination, code review and approvals, construction monitoring and client support.

Industry Tenure

- A/E: 1987
- EMG: September, 2001

Industry Experience

- Office
- Industrial
- Hospitality
- Retail
- Government
- Multifamily

Regional Location

- Atlanta, GA

SCOTT R. BROWN

Senior Engineering Consultant

Education

- Bachelor of Science in Civil Engineering at Tri-State University, 1980

Project Experience

Manufacturing Facility, Indianapolis, IN – Mr. Brown completed the structural portion of the survey of the former manufacturing facility for RCA, which was being converted to a multi-use, multi-tenant facility on Indianapolis' eastside. Containing over one million square feet, these buildings were constructed at various times throughout the early to mid 1900's and with various building materials.

Ventas/Harodsburg Health Care Center, Harrodsburg, KY – As Field Technician, Mr. Brown applied his expertise to the assessment of this property. He assessed this 26,622 square foot health care center built in 1994, utilizing a customized EMG methodology. Mr. Brown's findings equipped the client with the information to make an effective business decision.

Lehman Brothers/Iroquois Manor, Louisville, KY – Mr. Brown, a professional well-versed in this industry's standards, performed a Property Condition Assessment on this 132,867 square foot property. His knowledge of structural and mechanical building elements was crucial to the level of detail required for this assessment. His report was clear and concise, yet thorough. He provided the information that was essential to the client's needs.

Grubb & Ellis Pacific Realty/The Brandeis Building, Omaha, NE – Mr. Brown, a professional well-versed in this industry's standards, performed a Property Condition Assessment on this 10 story, 319,234 SF office property. His knowledge of structural and mechanical building elements was crucial to the level of detail required for this assessment. His report was clear and concise, yet thorough. He provided the information that was essential to the client's needs.

Industry Tenure

- A/E: 1981
- EMG: March, 2002

Industry Experience

- Office
- Industrial
- K-12
- Retail
- Healthcare
- Housing

Active Licenses/Registration

- Registered Engineer, Indiana, Certificate # 20912 since 1984
- Registered Engineer, Georgia, Certificate since 21241 since 1994

Regional Location

- Indianapolis, IN

DAVID H. HORTON, II*Project Manager***Education**

- School of Architecture Masters Candidate: Integrated Facility Management, Georgia Institute of Atlanta, GA, Fall '04 present
- Bachelor of Science in Civil Engineering, North Carolina A&T State University, 1997

Project Experience

- *Pump Station, Atlanta, Georgia* – Mr. Horton was the project manager responsible for trade contractor/general contractor relations, coordination with on-site construction and trade contractor; negotiation of contractual terms and conditions, bid process, bid evaluation and contract award. He was also responsible for trade contractor schedule and progress meetings, payment application processing, the liaison between engineering, management and the owner, and claims and insurance verification and approval.
- *Central Park Lofts, Atlanta, GA* – As project manager, Mr. Horton took over this \$8 million project during a volatile time and reeled the job back in while improving costs. He supervised the superintendent, project engineer, office manager, security, laborers and all subcontractors. He negotiated all back charges and credits to the owner while completing unit owner's long overdue punchlist items to their satisfaction. He was responsible for all aspects of the job including, but not limited to, reports to senior management, problem solving, lien management and bonding, pay applications, invoices, job costs, change orders and job close-out.

Industry Tenure

- A/E: 1995
- EMG: August 2004

Related Experience

- Construction
- Environmental
- Project Management
- Construction Consulting

Industry Experience

- Office
- Multi-family
- Public Sector
- Government
- Power Plants

Special Skills & Training

- Spanish skills

Memberships

- American Society of Civil Engineers
- National Society of Black Engineers

Regional Location

- Atlanta, GA