



Ameritas Life, Acacia Life, Union Central Life
and affiliated companies

Property Condition Assessment Guidelines for Portfolio Loans

Revised 1/1/2010

The written assessment of the loan security is to be addressed and certified to the Lender. No work is to commence until the firm conducting the review has been approved by the Lender. The report is to conform to the current ASTM guidelines and the Lender's protocol. The report is to include the date, time and weather conditions when their inspection of the property occurred. For any deferred maintenance items that are determined to require immediate repair or replacement, an itemized list of those items and the estimated cost for each item is to be included. Photographs, maps, figures and tables are to be included in the report. The photos are to include the site, grounds and improvements, interior areas, mechanical systems, roof, emergency exit areas and those areas where deficiencies have been observed. Lender shall receive one hard copy and one electronic copy of the report.

I. Records Search

- A. Provide copies of the following for the subject property: site plan, location maps, flood zone maps, building permit, all certificates of occupancies that are available, and letters or other documentation from the local providers of all public utilities including telephone service.
- B. Document evidence of the existence of any code violations, including fire, building, zoning, plumbing or electrical. Include information on what fines or penalties, if any, are or may be outstanding against the subject property. If the subject is a non-conforming use according to current zoning regulations, confirm whether or not the use is permitted.
- C. Document all applicable permits required for the operation of the subject, including those for vertical transportation, service of alcoholic beverages, food service or production, or any other regulated activity which may occur at the subject property.

II. Physical Review

- A. Describe the property and improvements, including acreage, square footage of the improvements, number and type of parking spaces available, age and history of the improvements, and access to the subject property from local public thoroughfares. Note any hazardous conditions present.
- B. For the grounds and exterior areas, include a description of the parking areas, including number of parking spaces and handicap-accessible spaces, parking signage, curbs and parking surfaces, sidewalks or other pedestrian areas, fencing,

gates, lighting other signs not attached to buildings, and landscaped areas. Specifically comment on the condition of these areas and include observations regarding drainage adequacy, parking availability compared to applicable building code, condition of pedestrian areas, soundness of fencing and gates, adequacy of lighting, appearance of signage (illuminated or not) and aesthetic appeal of grounds and other landscaped area. Clearly state areas where repair is necessary, whether immediately or as part of normal operations, including areas where landscaping presents hazardous or unsafe conditions. Note any hazardous conditions present.

- C. Describe site amenities, if any, such as swimming pool, tennis or basketball courts, play grounds, etc. Provide specific commentary on the condition, aesthetic appeal and observed use or abuse of these areas. Inspect any swimming pool pump rooms to determine the make, model, age and condition of pump room equipment, chemicals stored and used on site and the handling of those chemicals relative to appropriate safety standards and codes. Comment on any deficient practices and provide recommendations as necessary. Clearly state areas where repair is necessary, whether immediately or as part of normal operations. Note any hazardous conditions present.
- D. Describe the property improvements, commenting on each building at the subject. The description is to include the exterior surface, entry and garage doors, windows, entryways, foundation, construction type and style, materials used, building height, floor and exterior wall construction, balconies, patios, exterior stairs and/or fire escapes, roof, gutter system, attached signs and utility service access points. Comment upon the aesthetic appeal of the exterior, the building age, roof age and condition, roof type and remaining useful life, and the apparent level of maintenance provided to the exterior components of the improvements. Clearly state areas where repair is necessary, whether immediately or as part of normal operations. Note any hazardous conditions present.
- E. Provide a description of the mechanical systems present. The description is to include the plumbing and sewage system (including septic system or grease traps present, water heaters, water wells and water softening equipment), fire safety systems (including dry or wet sprinklers), HVAC systems, (including a description of the age, make and model maintenance records, etc. of chillers, air handlers, boilers, cooling towers, heat pumps, split and/or package systems, condensers and compressors and circulating pumps and any other evaporative cooling systems), electrical systems (including interior lighting, appliances, total amp service, expansion capability in switch boxes, metering and sub-metering, wired security systems, system age, wiring material used and service found in common areas) and mechanical vertical transportation, including elevators, dumb waiters and escalators. Provide copies of inspection reports or operational certificates for equipment and systems inspected on a regular basis by outsiders. Comment on any deficient equipment or practices and provide recommendations as necessary. Clearly state areas where repair is necessary, whether immediately

or as part of normal operations. Note any hazardous conditions present. Provide commentary on the apparent level of maintenance provided to these systems, by whom that maintenance is provided, and conditions of the building areas where those systems are installed.

- F. Provide a narrative description of the interior of all tenant spaces. Describe typical interior finish, ceiling height, flooring and partitions; quality of materials used, aesthetic appearance and cleanliness, note any areas where the interiors are deficient or superior to competing properties. Clearly state areas where repair is necessary, whether immediately or as part of normal operations. Note any hazardous conditions present. Provide commentary on the apparent level of maintenance provided to these spaces.

III. ADA issues

- A. Accessibility to the site, amenities and improvements at a subject property is to be commented on, as a way to document the subject's level of access, relating to the Americans with Disabilities Act. Specific comments are to be included after observing the following areas: Parking, access to improvements, Interior access and transportation, exterior and interior signage, hardware, restroom access, and communications. In the event barriers to access are present, comment on the amount of work necessary and the estimated expense involved with the removal of those barriers. Commentary should include areas where the property owner is in compliance, partial compliance and not in compliance.

IV. Replacement Reserves Analysis

A Replacement Reserves Analysis will be required. The analysis should be spread over the greater of 10 years or the loan term.

