



Inspection Report

John Smith

Property Address:

111 Smith Road
Baltimore MD 21345



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Date: 11/12/2013	Time: 02:00 PM	Report ID: 1311.01
Property: 111 Smith Road Baltimore MD 21345	Customer: John Smith	Real Estate Professional: John Doe Colliers International

EXECUTIVE SUMMARY

Overall BIS through this Physical Condition Assessment (PCA) found the 111 Smith Road retail center to be in very good condition, as expected with the recent renovations to the roof covering, pavement, several roof-top mechanical equipment and two tenant interior spaces. Observed vegetation growing into the north and east property fencing, storage container on 4 rear parking spaces, open drum storing what appears to be fryer oil and aged/9x9 floor tile, Two of the four tenant spaces were locked during the inspection and were not entered. The property appeared to be substantially in compliance with overall building code; however minor improvements to the site and building interior need to improve handicap accessibility. BIS visited several Baltimore County departments to research local zoning, public utility services and available site plans. BIS did not receive a site plan for this property during our research. Gathered information during the inspection were transmitted as separate exhibits (A-E) because of file sizes.

PCR SCOPE

This Property Condition Report "PCR" uses ASTM E2018 as a standard guideline and InterNACHI "Inspecting Commercial Properties Standards of Practice" to describe the condition of building and grounds for the property inspected. This process involves observations of the property, interviews of sources, reviews of available documentation and preparing a PCR of a commercial property's current physical condition. At the option of the Client, a PCA may include a higher or level level of inquiry and due diligence than the baseline scope described within this guide. If there are such deviations from this guide's scope it should be disclosed here on this page. A PCR is a written report, prepared in accordance with the recommendations contained in this guide that outlines the consultant's observations, opinions as to the subject property's condition and opinions of probable costs to remedy significant material physical deficiencies observed.

In defining good commercial and customary practice for conducting a baseline PCA, the goal is to identify and communicate physical deficiencies to a user. The term physical deficiencies means the presence of conspicuous defects or material deferred maintenance of a subject property's material systems, components, or equipment as observed during the field observer's walk-through survey. This definition specifically excludes deficiencies that may be remedied with routine maintenance, miscellaneous minor repairs, normal operating maintenance, etc., and excludes de minimis conditions that generally do not present material physical deficiencies of the subject property. A walk-through survey, conducted during the field observer's site visit of the subject property, consists of nonintrusive visual observations, survey of readily accessible, easily visible components and systems of the subject property. Concealed physical deficiencies are excluded. It is the intent of this guide that such a survey should not be considered technically exhaustive. It excludes the operation of equipment by the field observer and is to be conducted without the aid of special protective clothing, exploratory probing, removal of materials, testing, or the use of equipment, such as scaffolding, metering/testing equipment, or devices of any kind, etc. It is literally the inspector's visual observations while walking through the subject property that contributes to the PCR..

This PCR report includes short-term cost estimates, opinions of probable costs to remedy physical deficiencies such as deferred maintenance that may not warrant immediate attention but require repairs or replacements that should be undertaken on a priority basis in addition to routine preventive maintenance. Such opinions of probable costs may include costs for testing, exploratory probing and further analysis should this be deemed warranted by the consultant. The performance of such additional services are beyond this guide. Generally, the time frame for such repairs is within one to two years.

The purpose of the PCA and PCR is to observe and report, to the extent feasible pursuant to the processes prescribed herein, on the physical condition of the subject property.

Deviations from the Guidelines: None.

Exclusions: BIS was not required to determine property boundary lines or encroachments; condition of any component or system that was not readily available. service life expectancy of any component or system; size, capacity, BTU, performance or efficiency of any component or system; cause or reason of any condition; cause or need for repair or replacement of any system or component; future conditions; compliance with codes or regulations; presence or evidence of rodents, animals or insects; presence of mold, mildew or fungus; presence of air-borne hazards; presence of birds; presence of other flora or

fauna; air quality; presence of asbestos; presence of environmental hazards; presence of electromagnetic fields; presence of lead paint or other hazardous materials; manufacturer's recalls or conformance to manufacturers' installation instructions; operating costs of systems; acoustical properties of any systems; resistance to wind, hurricanes, tornadoes, earthquakes or seismic activities; geological conditions or soil stability; or ADA compliance.

Recommendations: It is recommended that the user of this report review the summary, report and exhibits. The complete report may include additional information of concern.

This property and subsequent building(s) has been inspected by Dennis Barnes Owner/Inspector of Barnes Inspection Services. Dennis has over 20 years of inspection experience having completed hundreds of commercial property inspections/assessments/studies. Dennis has the following qualifications:

- InterNACHI Certified Professional Inspector
- COA Certified Commercial Property Inspection Management Inspector
- VFA Certified Facilities / Infrastructure Assessment Inspector

Building Use: Mixed-Use	Construction Type: Frame and Masonry	Number of floors/stories: 1- Story
Approximate building size: 4,800 square feet	Age Of building: Built 1970	Apparent occupancy status: 100%
Client Present: No	Weather: Cloudy	Rain in last 3 days: No
Temperature: Below 60	Number of Buildings: One	Building Faces: SE, But for Report Faces South

1. PCA Scope

A.	Scope of Work
B.	Work Order
C.	Property Location
D.	General Property Description

Comments:

A. Scope of this PCA was limited to items mentioned in this report and ordered by the Client, which were readily accessible at the time of inspection. This inspection report is not intended to be a technically exhaustive study of every system or component, but to reveal obvious major deficiencies of the property. No disassembly or destructive testing was performed. No furniture or personal belongings were relocated during the inspection. No warranty of any kind is implied or intended with the submittal of this report. Acceptance of this report constitutes agreement with policies herein and within the written contract document. Construction for this building per listing information was been completed in 1970.

Interviewed Mr. John Doe, Colliers International and Owner's representative, during the inspection. Reviewed listing information as complied by agent.

B. BIS was contacted by Client and requested to conduct a preliminary inspection of the major components of 111 Smith Road property. The following inspection report lists various items and makes general statements as to the condition of this property. Additional studies are available for purposes of refining costs, extent of damages and to discover other potential problems not readily visible during this preliminary inspection. Our services were limited to a visual site/building inspection only, as directed by the Client. No review of permits, zoning, maintenance records, seller's disclosure (if any) or other documents except the identified Exhibit plans was performed. Building exteriors were observed; and a very limited visit was completed in the two front tenant interior spaces. No evidence of major distress was observed at any of the buildings.

BIS representatives Dennis Barnes and Clifford Barnes completed the walk-through survey on November 11, 2013. No subconsultants were used on this PCA.

The following inspection report lists various items and makes general statements as to the condition of this property. Additional studies are available for purposes of refining costs, extent of damages and to discover other potential problems not readily visible during this walk-through survey.

C. This property is located in northeast Baltimore County just one-half mile northwest of Baltimore City. Access to the site is made from Smith Road. The area surrounding the site is commercial and to the rear a public golf course. For purposes of this report it is assumed that the front facade/main building entrance faces south.

D. The subject of this report is a 4,800 square foot commercial strip center located along Smith Road. The center was constructed in 1970 and currently is fully occupied with four tenants: a - Domino's Pizza (1,600 s.f.); b - Silk Road Bistro (1,600 s.f.); c - A Conservative Touch/Barber Shop (800 s.f.) and d - Painting Crew (800 s.f.). Domino's and Bistro face south toward Reisterstown while the other two tenants face west toward the service drive. According to the Exhibit B Listing Rent Roll information the following tenants took occupancy Silk Road Bistro 2008, Barber Shop 2011 and Painting Crew 2013. These are all recent and along with Domino's Pizza maintenance and cleaning standards, no major interior deficient items were observed.

Based on available information this property represents a site size of 18,178 square feet or 0.417-acres. See Exhibit A - Maryland SDAT Real Property information. Property is zoned BL - Business Local, Small Scale Commercial. Property does not appear to contain wetlands, flood plains, perennial streams or historical resources.

BIS counted a total of 26 regular parking spaces on-site along with 1 additional space in front reserved for handicap. This handicap space was regular sized with a 6 foot wide access aisle, not van accessible per ADA current regulations. Also a proper accessible route did not exist from the parking space to tenant entry doors.

It appeared the building and grounds underwent a capital improvement program during 2007 to 2010 with recently installed pavement, roof, exterior and 607b & 607d interiors. Overall, BIS found the building and grounds to be in very good condition. The materials chosen for this property are generally long lasting and low maintenance.

2. General Physical Condition



Styles & Materials

General Topography: Flat	Storm Water Drainage: Positive Slope Municipal Drains Nearby	Site Ingress and Egress: Paved Driveway
Paving Curbing and Parking: Asphalt Parking Lot Concrete Curbs	Number of Parking Spaces: 27	Method used to determine parking spaces: Visually Counted Spaces

A.	Topography
B.	Storm Water Drainage
C.	Ingress and Egress
D.	Paving, Curbing and Parking
E.	Flatwork (sidewalks, plazas, patios)
F.	Landscaping and Appurtenances

Comments:

A. The property was generally flat with a high-elevation contour location as indicated on Photo 1. Pavement slopes both toward the front (Smith Road) and rear east (golf course). Parking and service drive pavement appeared to be properly sloped to discharge storm water onto Smith Road and onto two rear curb cuts. Property mainly consists of building and asphalt pavement. Observed a slight negative slope to the grassy area along the east exterior wall (see Photo 3). This area should be raised to provide positive drainage (1" per foot) away from the foundation wall.



B. It appeared that the property had a peak elevation near the northwest corner of the building. All pavement to the south drained by sheet flow onto Smith Road to storm drain inlets near Main Road and eventually discharges into a Baltimore County 36" storm drain main along Main Road. Pavement to the north, basically the rear parking lot, drains in an easterly direction to two curb cuts that discharge the storm water onto grassy area of the golf course property.

Based on site observations, it appeared that approximately 98 percent of the site was covered with impervious surface material, either pavement or roof. The building was drained by a primary roof drain to scupper box and a gutter/downspout system along the north roof line. Repairs/replacement to sections of the roof drainage are recommended, as missing parts, vegetation surface staining and erosion were noted along the rear of the building.

In general the site drainage was overall satisfactory with parking and service drive pavement to be properly sloped to discharge storm water onto Smith Road and onto two rear curb cuts. Recommend installation of underground roof drainage piping to eliminate foundation wall water intrusion, pavement erosion and possible icing conditions over the cold months.



C. (1) Property was accessed by a 2-way, 30'+ wide entrance roadway from Smith Road. Entrance provided direct access to a service drive for the front and rear parking areas. The general flow of traffic appeared to be smooth, however several Bistro vehicles illegally parked along the service drive during the inspection and thus constricted traffic circulation at that location. During the mid to late afternoon hours this did not appear to be an issue as on-site traffic volume was very low.



C. (2) Building had four tenants with a & b egress doors along the front/south and c & d along the west. Additional egress doors included a common utility room door along the west wall and what appeared to be a tenant d rear door at the northeast corner of the building.



D. (1) Asphalt pavement surfaces appeared to be recent and were generally in tact. Only observed a surface crack running along the middle of the service drive (see Photo 3). Concrete curb outlined the rear parking pavement and was found to be in good condition. Recommend all cracks be sealed on a regular basis to minimize water intrusion into the pavement section.



D. (2) BIS counted a total of 27 on-site parking spaces with 26 regular sized spaces along with 1 reserved handicap parking space in front with a 6' wide accessible aisle. This handicap space should contain an 8' wide access aisle for van accessibility per ADA regulations. Also the accessible route had a 1" to 2" elevation difference between the pavement and sidewalk surface leading to the tenant entry doors. The regular spaces were measured as 9' x 18.5', which exceeds Baltimore County requirements of 8.5' x 18'. Recommend one van accessible space with proper signage and accessible route be installed at front of building. Also recommend re-stripping of all parking spaces as the lines have faded.

The rear parking area of 19 spaces had been reduced by 4 spaces since two dumpsters and a storage container exist on the northern most spaces (see Photo 2). With this reduction the site therefore only contains 23 "Useable" parking spaces for the four tenants. According to Baltimore County Zoning Code 409.6 a restaurant requires 16 spaces per 1,000 square feet of space (26); take-out establishment requires 5 spaces per 1,000 square feet of space (8); barber requires 5 spaces per 1,000 square feet of space (4) and office requires 3.3 spaces per 1,000 square feet of space (3). Adding up the Baltimore County requirements the site should contain 41 spaces.

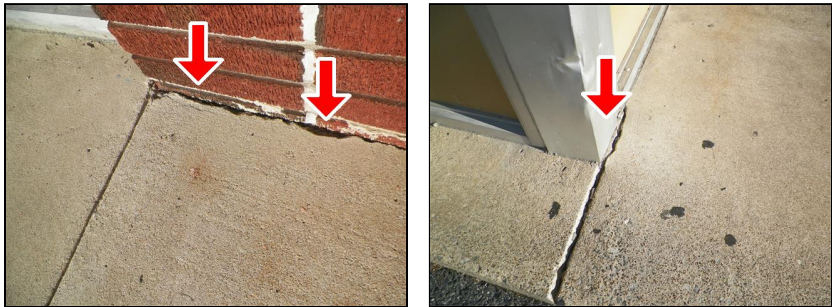
Zoning Code also contains an special reduction for a restaurant in the Pikesville revitalization district requires 5 spaces per 1,000 square feet of space (8). Adding this revised requirement the site should contain 23 spaces, which exist. BIS could not verify if an approved parking variance exists or if the lower restaurant requirement are in place. BIS asked Zoning representative if a transfer of property Ownership and no changes in zoning or tenants would require a zoning review - he answered no. Client may want to verify that on-site parking requirements are satisfied before purchasing the property or request a parking variance.



E. (1) The pedestrian paving consisted of concrete sidewalk along the front and west side of the building and along Smith Road. It appeared a private or public agency had recently completed construction along Smith Road fronting the property and had not replaced the removed sections of sidewalk. Note Miss Utility markings on Photo 1. Client should verify that others will re-install front sidewalk sections or he may have to. Several on-site sidewalk cracks need to be sealed to prevent further deterioration from water intrusion. As stated in 4.D.(2) the ADA accessible route had a 1" to 2" elevation difference between the pavement and sidewalk surface therefore requiring a small curb cut to be installed (see Photo 3).



E. (2) Observed open joints along sidewalk and building. Recommend all joints and other openings be sealed on a regular basis.



F. (1) Attractive mature trees lined the north and northeast property lines from the golf course site. However several trees and other smaller vegetation were overgrown through the north property line fence and over the northeast roof area. Vines were climbing up the northeast corner and could intrude into mortar joints. Recommend removal of all vines and trim vegetation (or request golf course to) throughout these areas.



F. (2) The chain link fabric on the property fencing was rusted throughout, not to mention that vegetation was growing across the fencing. Recommend trim all vegetation and replacement of fabric in the near future.



F. (3) Other site appurtenances included an attractive pylon signage at Smith Road, a "knee-high" concrete retaining wall along the front east property line, two dumpsters/storage container at rear parking area, and two pipe bollards at the southwest corner of the building. Note as discussed on 2.D the dumpsters and storage container reduced the total number of parking spaces by four. The pipe bollards at the southwest corner of the building constricted the width of the service drive down to 16 feet at their location thus only allowing 1 vehicle to safely pass at that point. Recommend both bollards be painted yellow for safety purposes.



3. Utilities

Styles & Materials

Water Source: Public Extra Info : Baltimore County DPW	Electric Source: Public Utility Extra Info : BGE	Gas Supply: Public Utility Extra Info : BGE
Sanitary Sewer: Public sewer system Extra Info : Baltimore County DPW	Storm Sewer: Discharges at Street Curb Cuts Extra Info : SHA Inlets along Reisterstown Road	

A.	Water
B.	Electricity
C.	Natural gas
D.	Sanitary Sewer
E.	Storm Sewer
F.	Special Utility Systems

Comments:

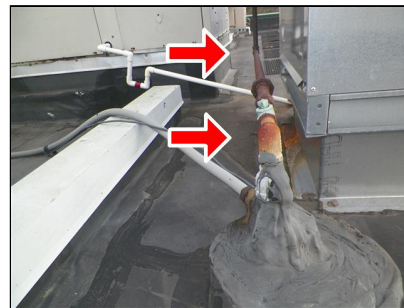
A. Water service is supplied off a 12" main along Smith Road by the Baltimore County Department of Public Works. Service records are maintained by Baltimore City DPW and according to John Watford, City Water Engineering representative, 111 Smith Road is served by a 5/8" meter and 3/4" water service. Meter was set in 1974. Mr. Watford stated that the meter seemed one size too small for a 4,800 square foot building with multiple tenants and that there may be a strong possibility for upgrading in the future.



B. Baltimore Gas & Electric (BGE) supplies an underground power high-voltage, 3-phase electric service off a Smith Road utility pole with 3 pole transformers. Underground ductbank runs west along the front of the property then directly north along the service drive and turns right toward the utility room where the electric meters exist. Exhibit D represents the BGE Primary Service plan. According to Exhibit E the BGE Secondary Service plan, the electrical service wire size is "2/4-350AL XLP" meaning that a pair of 4-wire, 3-phase aluminum wires probably in a ductbank run through the site and into the utility room.



C. According to Exhibit C, Baltimore Gas & Electric (BGE) supplies an underground gas line of unknown size off a 12" low-pressure gas main along Smith Road. Underground gas pipe runs directly into the building from the gas valve location. Observed 4 gas meters in the utility room. Preventive maintenance on the roof exterior gas distribution system appears to be necessary from the observed rusted pipe sections.



D. According to Baltimore County DPW records a 12" sanitary sewer mains exists along the south Smith Road curblin. Suspect a 6" sanitary waste pipe from the building discharges into this 12" main in front of the property.

E. It appeared that the property drained in two basic directions from a peak elevation near the northwest corner of the building. All pavement to the south drained by sheet flow onto Smith Road to storm drain inlets along Smith Road and eventually into a Baltimore County 36" RCCP storm drain main along Main Road. Pavement to the north, basically the entire rear parking lot, drained in an easterly direction to two curb cuts that discharge onto a grassy area sloped toward the golf course.



F. Observed a storage drum almost full of what appeared to be used deep fryer oil. Drum lid was unlocked. Recommend drum be stored in an approved safety/enclosed area labeled "No Smoking Flammable Materials". Oil spillage would be costly to clean-up.



Out of Scope Issues:

Utilities: Operating conditions of any systems or accessing manholes or utility pits.

4. Structural Frame and Building Envelope

Styles & Materials

Foundation: Standard Spread Footings	Building Type: Masonry Block	Roof Type: Flat
Roof Structure: Not Visible	Floor Structure: Slab-on-Grade	Ventilation: Exhaust Fans
Exterior Entry Doors: Steel Storefront	Window Types: Storefront	Siding Material: EIFS
Roof Covering: Built-up	Viewed roof covering from: Walked Roof	

A.	Foundation
B.	Building Frame
C.	Facades or Curtain Wall (principal face of the building)

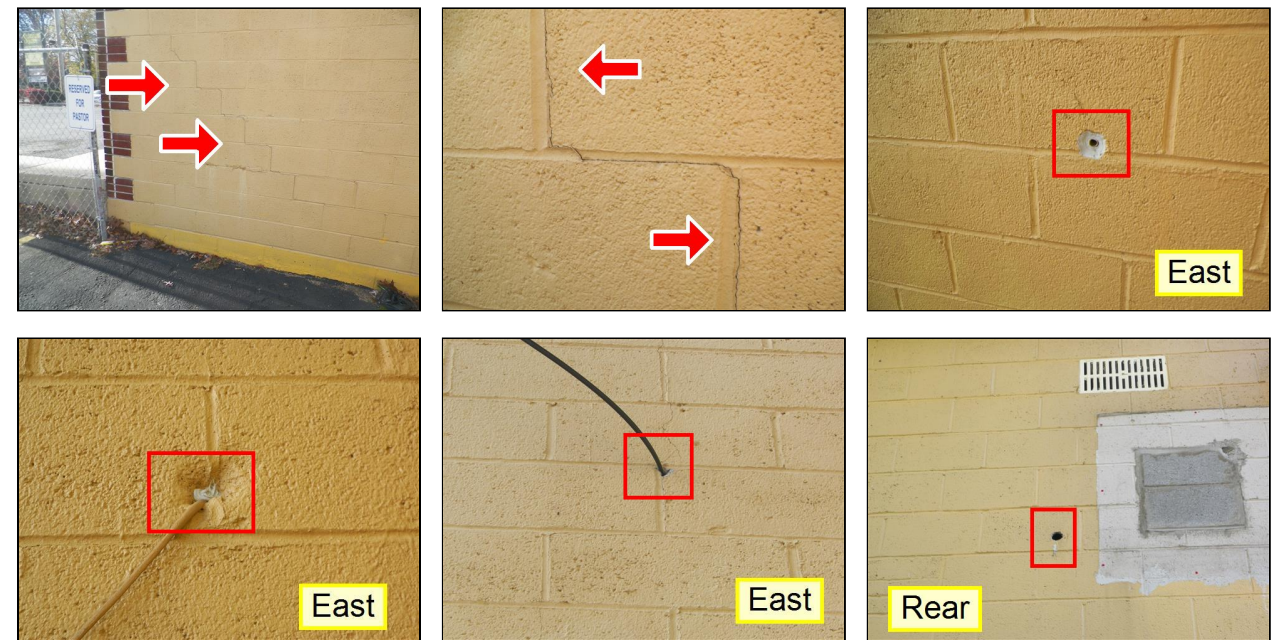
D.	Sidewall System (exterior wall cladding and components)
E.	Fenestration System (i.e. windows, openings, doors, etc.)
F.	Parapets Decks Balconies (protective wall barriers at balcony, roof, etc.)
G.	Roofing
H.	Roof Drainage System

Comments:

A. Based on our experience in the area and with the relatively light loads imposed by the structure, it is our estimate that the building was founded on shallow, reinforced concrete, spread footings. As the building has been completed and occupied since 1970, foundations could not be reviewed. BIS did however, observe the superstructure walls and roof, and did not note significant displacement, cracking or other signs of foundation system distress.

B. The very limited observed building structure included CMU walls, storefront framing and interior finishes. Basic structural framing members and roof decking were obscured by interior finishes. BIS entered two of the four tenant spaces: Domino's Pizza and Silk Road Bistro. Suspect the basic building structure is steel on load-bearing CMU masonry walls with a metal or gypsum poured roof deck supported by a series of open-web engineered trusses. Sections of exterior brick existed around the storefront sections and at the west utility door. Gravity and live loads would be taken through this system to the foundations. Lateral, wind load and stability would be provided through the shear action of the masonry walls in combination with the rigid steel frame design. Although analysis of the structure is beyond the scope of this report, BIS can state that the loads imposed on and by the structure to date do not appear to have imposed any current of long lasting physical deformation. BIS judges the structure to be sound overall.

C. The building's exterior walls (facades) consisted of CMU/brick masonry. Observed a series of hairline cracking, both step and vertical, along the east wall. These hairline settlement cracks do not appear significant at this time to require repairs. However due to freeze/thaw, cracks should be sealed to minimize further chipping away, flaking or deterioration. Typical cracks should be sealed with a sealer and may need periodical sealing. Also observed several wall penetrations that may allow water to intrude, all open penetrations should be sealed on a regular basis. See 2A. for providing positive drainage away from the east wall.



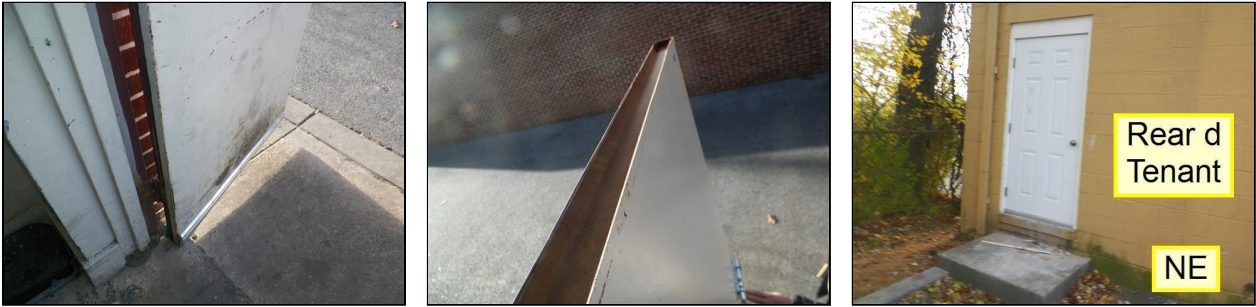
D. Several high building exterior surfaces appeared to be a recently installed "EIFS" (Exterior Insulation and Finish Systems) or usually called "Synthetic Stucco" or similar material. BIS did not perform a test for possible water intrusion, as this is a separate test and contract.



E. (1) The predominant windows were of the storefront type associated with the tenant entry locations along the front/south and west side of the building. Windows were plate glass in aluminum frames. Caulking appeared to be complete, however several openings were observed that need to be sealed to minimize water intrusion. Observed aluminium framing at the southwest building corner was damaged after being hit by a vehicle or heavy cart. Observed two protective pipe bollards were installed adjacent to this location to protect corner from further damage.



E. (2) The tenant entry doors were part of the storefront system. Doors were single glazed plate glass in aluminum frames. Hardware typically consisted of a pull plate outside, a push plate inside a panic bar inside and keyset. Utility room and rear (north) egress doors consisted of hollow metal doors in metal frames with knobs and standard keysets. Doors typically swung outward and were three feet wide. None of the doors appeared to be fire-rated. Utility room exterior door appeared to be deteriorated/damaged and needs replacement in the near future.



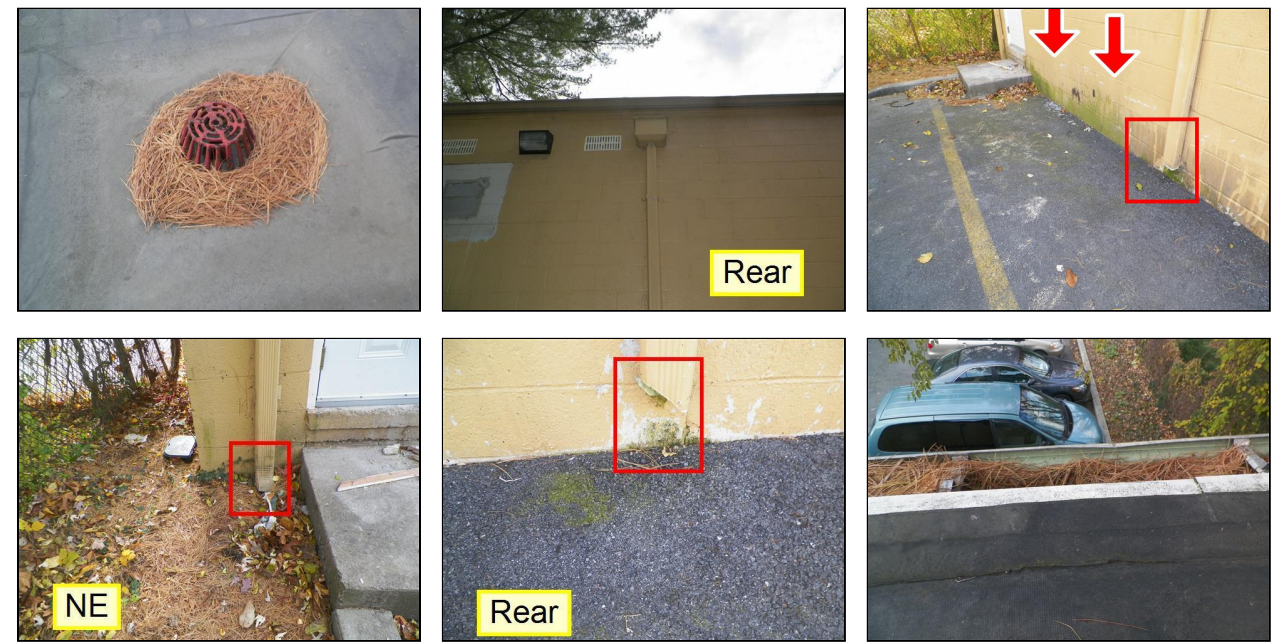
F. The masonry walls extended past the roof surface elevation and formed a perimeter parapet wall. The wall's top surface was covered by sheet metal coping. Observed openings in the overlapping pieces of the coping material, exposed fasteners and mastic material. Mastic deteriorates and shrinks over time thus causing potential openings hence water intrusion possible locations. Recommend the roof installer be contacted to seal openings/nail heads and other necessary items.



G. The flat roof (less than 3:12 slope) consisted of a built-up roof covering. According to the realtor's listing information the built-up roof covering was installed in 2009 and has a 15-year warranty. Client needs to verify that the roof warranty will continue with the building change of Ownership. According to Garland roof representative, Todd Holtzner, roof warranties normally do not transfer to another Owner. Observed a series of rubber walking pads around the roof-top equipment. The roof covering had multiple roof openings, ponding and other small locations that need to be repaired/replaced (see Photos 4 to 9). Observed a series of wrinkles along the north roof area that may indicate a possible manufacturer/installation defect (see Photo 8). These areas will eventually blister and the roof will need replacing. Recommend roof installer be contacted to repair/replace identified items and others as necessary.



H. Observed a primary roof drain and scupper box at the north central area of the roof (see Photos 1&2). Also observed a gutter running along the north roof edge that discharged storm water through two downspouts. Each downspout lacked a lower elbow and splash pad and allowed water to collect at the foundation wall (see organic "green" discoloring on the rear wall in Photo 3). Note gutter and roof drain were clogged with pine needles. Recommend installation of a gutter shield system and an underground pipe system that would collect storm water from both downspouts and discharge the storm water over to the depressed golf course grassy area east of the property.



Out of Scope Issues:

Entering of Crawlspace or confined areas (however, the 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.

Roof: 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.

5. Mechanical and Electrical System

Styles & Materials		
Plumbing Water Supply (into building): Ductile Iron	Plumbing Water Distribution (inside building): Copper	Plumbing Waste: PVC Galvanized Steel
Water Heater Power Source: Gas (quick recovery)	Water Heater Capacity: 50 Gallon (2-3 people)	Water Heater Manufacturer: GE STATE
Water Heater Location: Utility Room Washer Dryer Room	Heat Type: Roof-Top Unit	Number of Heat Systems (excluding wood): Four
Energy Source for Heat: Gas	Heat System Brand: CARRIER FRASER-JOHNSON LENNOX TRANE	Ductwork: Insulated Sheet Metal

Cooling Equipment Type: Air-Conditioner Unit Roof-Top Unit	Cooling Equipment Energy Source: Electricity	Central Air Manufacturer: CARRIER FUJITSU TRANE
Number of AC Only Units: Unknown Extra Info : Four+	Electrical Service Conductors: Below Ground Aluminum 3 Phase	Units individually metered (Electrical): Yes
Panel capacity: 200 AMP 100 AMP	Panel Type: Circuit Breakers	Electric Panel Manufacturer: SIEMENS

A.	Plumbing Water Supply and Distribution and Fixtures
B.	Plumbing Drain, Waste and Vent Systems
C.	Domestic Hot Water Production
D.	Heating Equipment
E.	Air Conditioning and Ventilation
F.	Electric Service and Meter
G.	Electric Distribution
H.	Exterior Lighting
I.	Emergency/Back-up Power System

Comments:

A. The domestic water service ran from the water meter at Smith Road into the utility room and then into each tenant space via what BIS suspects to be copper piping. Tenant a (Domino's Pizza) and tenant b (Silk Road Bistro) spaces contained restroom, kitchen, sinks and other connected fixtures.



B. (1) Observed drain plumbing and traps underneath restroom and kitchen sinks. Tenant a (Domino's Pizza) had at least two plumbing leaks between pvc fixtures.



B. (2) Roof contained roof-top unit pvc condensate drains and pvc plumbing stack vents. A very short (damaged?) plumbing vent beside a RTU was observed (see Photo 3). Also observed a damaged plumbing stack boot (see Photo 5). Both items should be repaired as needed.



C. (1) Tenant a (Domino's Pizza) contained a GE water heater manufactured in September 2007. Ran hot water and verified hot water existed. Water heater lacked proper pipe to extend within 6 inches of floor for safety purposes (PVC is not approved for hot water use). Recommend installation of pipe by a qualified person.



C. (2) Tenant b (Silk Road Bistro) contained a State Select water heater. Manufactured date is unknown but suspect it was installed during tenant fit-out in 2010. Also contained an abandoned Navien tankless water heater on the adjacent wall. Ran hot water and verified hot water existed. Water heater lacked proper pipe to extend within 6 inches of floor for safety purposes (PVC is not approved for hot water use). Recommend installation of pipe by a qualified person.



D. (1) Roof-top units provide heating and cooling for each tenant. BIS did not operate any thermostat or other equipment to prove which unit was serving which tenant; however the RTU physical location normally indicates the served location. While several units were replaced since 2000, tenant b and c appear to be aged and may require replacement in the not too distant future.

Tenant a - a gas-fired York RTU appeared to serve the Domino's Pizza space - model #D7CG060N09925A, serial #NBLM014080 represents a 10-ton unit manufactured in 2002 according to serial number. Note York website also lists a manufacture date of 1981 although RTU does not appear to be that aged.

Tenant b - a gas-fired Lennox RTU appeared to serve the Silk Road Bistro space - model #GCS16-953-200-3Y, serial #5691F00483 represents 10 to 15-ton unit manufactured June 1991.

Tenant c - a gas-fired Fraser-Johnson RTU of unknown size and no manufacturer label appeared to serve the A Conservative Touch.

Tenant d - a gas-fired Trane RTU appeared to serve Painting Crew - model #YSC036A3EHA000, serial #727101686L represents a 3-ton convertible unit manufactured in June 2007.



D. (2) Roof-top units provided supply and return air throughout the interior spaces through large ductwork to ceiling diffusers. System was controlled by individual wall-mounted thermostats.

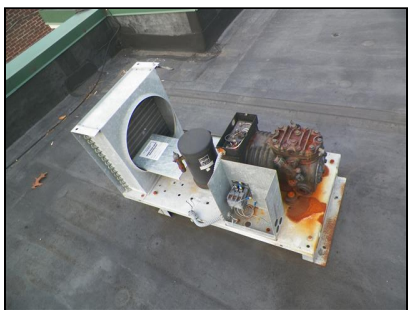


E. (1) See 5.D for roof-top cooling equipment including Lennox, Carrier, York and Fraser-Johnson units. These cooling units provided cooled supply and return air throughout the interior spaces through large metal ductwork to ceiling diffusers.

A separate Fujitsu mini-split system model #AOU30CLX1, serial #GEN002151 served tenant b (bistro) with cooled-air. According to its serial number the unit was manufactured in June 2007, has a EER rating of 9.50 and uses R410A coolant.

A Carrier A/C unit (see Photos 3&4) model #1505E27604, serial #38CHC060570 appeared to serve tenant a (domino's) with cooled-air. Unit appeared aged even though according to its serial number was manufactured in May 2005 Recommend replacement of the suction line foam insulation.

What appeared to be an abandoned A/C unit (served the former restaurant) existed and needs to be removed and roof penetration sealed (see Photo 4).



E. (2) Both Domino's Pizza and Silk Road Bistro contained large exhaust hoods over the oven and range areas. Observed connected roof-top exhaust fans. Captiveaire commercial kitchen ventilation system equipment appeared to be of recent age and was operating during the inspection. An older Aerolator (Captiveaire systems) exhaust unit was observed at the north portion of the roof with a serial #II-36818 and 2,000 cfm rating.



E. (3) Interior bathroom contained exhaust fans that discharged to the exterior.



F. Utility room contained a main meter (south wall) and four tenant meters. Store 1 meter listed 600 volts and had a black shut-off switch with a 600 printed on it (600 amps?). Store 2 listed 100 amps. Store 3 listed 200 amps. Store 4 listed 200 amps. Store 1 may be for Domino's that contained 3 individual circuit panels (each at 200 amps would possibly equal the 600-amps). Recommend Client verify this information. Observed main panels were manufactured by Square D and approved by Baltimore County inspector according to panel sticker.

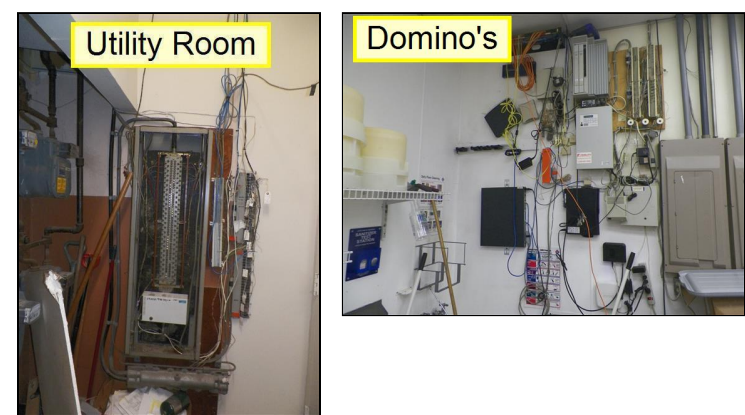


G. (1) Building had interior Square D panels and sub-panels, wiring and devices installed in accordance with typical retail spaces. Tenant a (Domino's Pizza) contained three Square D circuit panels inside their space. A representative of accessible outlets were tested with the circuit tester. Interior lighting consisted mainly of recessed 2 by 4-foot fluorescent fixtures, which appeared to supply adequate interior levels of visited spaces.

Tenant b (Silk Road Bistro) appeared to contain recent electrical distribution panels, outlets and switches. Note Baltimore County inspector signed panel permit on January 2010. Recommend further evaluation by a licensed electrician on why GFCI in men's restroom did not operate when tested (see Photo 6).



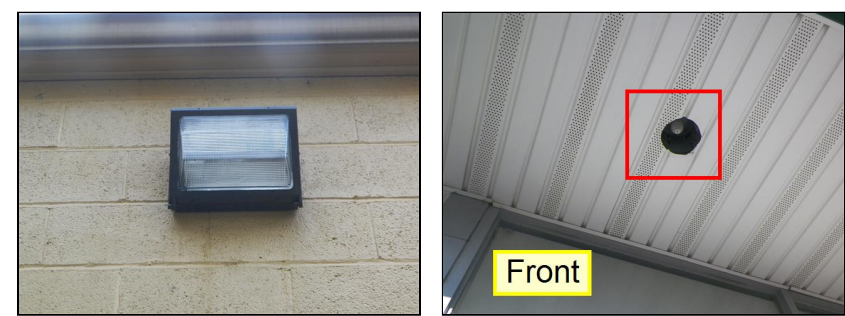
G. (2) A variety of communication (Verizon) devices and connections were located on the rear wall of the utility room and in each tenant space.



G. (3) The electrical distribution shut-off Cutler Hammer boxes and their connections were severely deteriorated at least 3 RTUs. Recommend replacement.



H. Exterior light fixtures for tenant entries, parking lots, service drive and walkways consisted of wall- and ceiling-mounted high-intensity discharge (HID) fixtures on the north, west and south sides of the building. One soffit light fixture at the front of the building lacked a cover. BIS was not on-site during night hours therefore cannot comment on the adequacy of the exterior light levels.



I. Building was equipped with battered-powered "frog eyes" emergency light fixtures throughout the inspected tenant a and b spaces. They appeared to be sufficient in number and location as to properly facilitate emergency excavation.



Out of Scope Issues:

Determining plumbing adequate pressure and flow rate, fixture-unit values and counts, verifying pipe sizes, or verifying the point of discharge for underground systems. Observation of flue connections, interiors of chimneys, flues or boiler stacks, or tenant owned or maintained equipment. Removing of electrical panel and device covers, except if removed by building staff, EMF issues, electrical testing, or operating of any electrical devices, or opining on process related equipment or tenant owned equipment. Examining of cables, sheaves, controllers, motors, inspection tags, or entering elevator/escalator pits or shafts.

6. Life Safety/Fire Protection

Styles & Materials

Sprinkler system:	Standpipes:	Fire Hydrant:
None	No	Yes nearby property
Fire Alarm system:		
Yes but did not test for operation		

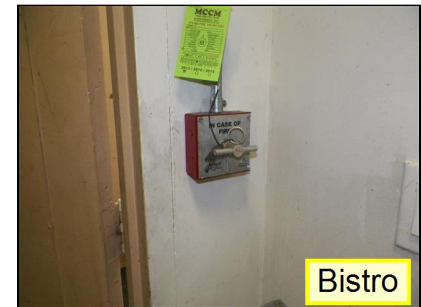
A.	Sprinklers and Standpipes
B.	Alarm Systems
C.	Exit Signage
D.	Portable Fire Extinguishers
E.	Other Systems

Comments:

A. A ProTex II restaurant fire suppression system with a "in case of fire pull" station was observed on the Silk Road Bistro.



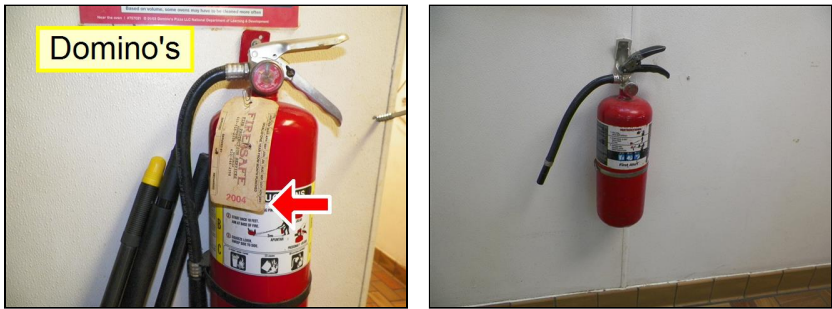
B. Fire alarm pull station for the bistro space and portable fire extinguishers were observed through the 2 visited tenant spaces. The fire suppression alarm system appeared to be operable.



C. Illuminated exit fixtures existed throughout the building.



D. Portable fire extinguishers were observed throughout. Note Photo 1 the service date was listed as 2004. Client should keep in mind that all fire extinguishers must contain 2013 certification.



E. Observed a building/tenant space security system with cameras and monitors.



Out of Scope Issues:

Determining NFPA hazard classifications, classifying, or testing fire rating of assemblies.

7. Interior Elements (Tenants)

Styles & Materials	
Ceiling Materials:	Wall Material:
Sheetrock	Sheetrock
Suspended Ceiling Panels	
Interior Doors:	Floor Covering(s):
Wood	Laminated T&G
	Tile
	Vinyl
A.	Ceiling, Walls, Floors
B.	Windows and Doors

C.	Building Amenities or Special Features (i.e. spas, fountains, clubs, shops, restaurants, etc.)
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Comments:

A. A variety of interior spaces for the 4 individual tenants existed in the building including retail, kitchen, eating, food prep, barber, offices, washer/dryer room, utility and restrooms. Typical interior surfaces included a suspended acoustical tile drop ceiling, tenant demising walls were drywall over wood studs and wood/vinyl/ceramic tile floors. Evidence of a leak between the front tenants under a demising wall at location in Photo 1 was observed.



B. Interior doors typically consisted of solid 3 foot wide wood doors. Interior doors did not contain a fire-rated label. No interior windows were observed during the inspection.



C. (1) Tenant a - Domino's Pizza had several large equipment items that were not evaluated - refrigeration unit, ovens, and washer & dryer. Observed that dryer vent was not connected to the vent system and was probably allowing lint to be released into the building. Lint build-up could potentially become a fire hazard; recommend dryer be connected to an exhaust system that discharge to the exterior (observed a dryer exhaust cover on the east wall).



C. (2) Tenant b - Silk Road Bistro had several large equipment items that were not evaluated - refrigeration unit, range, mixer and deep fryer.



Out of Scope Issues:

Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations

8. Common Areas (Interior)

Styles & Materials

Ceiling Materials:	Wall Material:	Floor Covering(s):
Sheetrock	Sheetrock	Aged 9" Square Tile (possible asbestos)
Interior Doors:		
Wood		

A.	Ceiling, Walls, Floors
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Comments:

A. An utility room separated the front two tenant spaces from the rear two spaces. Same typical surfaces were observed as the interior spaces: drywall walls, drop ceiling and tile flooring. The age and size (9" x 9") of the utility room tile indicates that it may contain or be glued with an asbestos-type material. The tile material appeared to be intact, however a portion of the room lacks tile. Asbestos main health concern is when the material is "friable" (crumble/break apart) and the air-borne particles can be breathed. Also asbestos should only be taken to an approved landfill site. Recommend Client have the material tested and evaluated by a specialist and take the corrective action they recommend.



Out of Scope Issues:

Operating appliances or fixtures, determining or reporting STC (Sound Transmission Class) ratings, and flammability issues/regulations.

9. Additional Considerations

Additional Considerations:
There may be additional or conditions at a property that users may wish to assess in connection with commercial real estate that are outside the scope of this guide (Out of Scope considerations). Whether or not a user elects to inquire into non-scope considerations in connection with this guide or any other PCA is not required for compliance by this guide. Other standards or protocols for assessment of conditions associated with non-scope conditions may have been developed by governmental entities, professional organizations, or other private entities.

Additional Issues:
Following are several non-scope considerations that users may want to assess in connection with E 2018 commercial real estate. No implication is intended as to the relative importance of inquiry into such non-scope considerations, and this list of non-scope considerations is not intended to be all-inclusive: Seismic Considerations, Design Consideration for Natural Disasters (Hurricanes, Tornadoes, High Winds, Floods, Snow, etc.), Insect/Rodent Infestation, Environmental Considerations, ADA Requirements, FFHA Requirements, Indoor Air Quality, and Property Security Systems.

A.	Document Review and Interviews
B.	Out of Scope Considerations
C.	Limiting Conditions
D.	Exhibits (See attached, if any)
E.	Opinions of Probable Costs to Remedy Physical Deficiencies

Comments:

A. The following documents were received and reviewed for this property:

Exhibit A - Maryland SDAT Property Data

Exhibit B - Colliers International Listing Information

BGE utility gas and electric utility services (Exhibits C, D & E)

B. Activity Exclusions—The activities listed below generally are excluded from or otherwise represent limitations to the scope of a PCR prepared in accordance with this guide (these should not be construed as all-inclusive or imply that any exclusion not specifically identified is a PCA requirement under this guide): Remove or relocate materials, furniture, storage containers, personal effects, debris material or finishes; conduct exploratory probing or testing; dismantle or operate equipment or appliances; or disturb personal items on property that obstructs access or visibility. Prepare 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 prepare designs or specifications to remedy any physical deficiency. Take 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. Report 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. Report 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; wastewater treatment plants; or items or systems that are not permanently installed. Enter or access 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, that may damage or impair the physical integrity of the property, any system, or component. Provide an opinion on the condition of any system or component, that is shutdown, or whose operation by the field observer may increase significantly the registered electrical demand-load; however, the consultant is to provide an opinion of its physical condition to the extent reasonably possible considering its age, obvious condition, manufacturer, etc. Evaluate acoustical or insulating characteristics of systems or components. Provide an opinion on matters regarding security of the subject property and protection of its occupants or users from unauthorized access. Operate or witness 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. 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. **Warranty, Guarantee, and Code Compliance Exclusions:** By conducting a PCA and preparing a PCR, BIS 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: 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; 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 inspector, they should be identified in the PCR; 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. **Additional/General Considerations: 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. **Out of 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. **Other Standards:** There may be standards or protocols for the discovery or assessment of physical deficiencies associated with non-scope considerations developed by government entities, professional organizations, or private entities, or a combination thereof. **Additional Issues:** No implication is intended as to the relative importance of inquiry into such non-scope considerations, and this list of non-scope considerations is not intended to be all-inclusive: Seismic Considerations, Design Consideration for Natural Disasters (Hurricanes, Tornadoes, High Winds, Floods,

Snow, etc.), Insect/Rodent Infestation, Environmental Considerations, ADA Requirements, FFHA Requirements, Indoor Air Quality, and Property Security Systems.

C. Since this property was occupied and both tenant spaces inspected were food prep/restaurant businesses, BIS could not and did not observe certain areas, especially behind/underneath furnishings. BIS did not lift any ceiling tile.

D. Exhibit A - Maryland SDAT Property Data

Exhibit B - Colliers International Listing Information

Exhibit C - BGE Gas 08C118 plan

Exhibit D - BGE Primary Service PS1050612 plan

Exhibit E - BGE Secondary Service S1050612 plan

These were submitted under separate cover because of file size limitations.

E. The following are our cost estimates for immediate and short-term (0 to 2 years) repair needs identified in this report and our maintenance/replacement cost projection over the next three years. Note: Fire sprinklers not included.

ITEM	COST RANGE
2.D Handicap Parking, Signage & Accessibility (exterior)	\$ 500 to \$1,000
2.D&E/4C Seal Building & Pavement Joints/Openings	\$1,000 to \$2,000
2.F Clear Vegetation & Replace Site Fencing	\$4,000 to \$6,000
3.F Install Enclosure for Fryer Oil Storage	\$ 500 to \$1,000
4.F(2) Replace Utility Room Exterior Door	\$ 400 to \$ 700
4.G Roof Drain Improvements (Gutter Shield, u.g. piping)	\$2,000 to \$4,000
5.D Replace RTU for Tenant b and c (Future Funding)	\$10,000 to \$20,000***
5.G(3) Replace RTU Shut-Off Boxes, Connections & Supports	\$1,000 to \$2,000
7A Tenant Improvements (ADA restrooms, misc reported items)	\$2,000 to \$4,000
8A Remove Asbestos Tiles	<u>\$ 500 to \$2,000</u>
TOTAL	\$21,900 to \$62,700

*** Client to check if this item is tenant's responsibility

Uncertainty Not Eliminated—No PCA can wholly eliminate the uncertainty regarding the presence of physical deficiencies and the performance of a subject property's building systems. Preparation of a PCR in accordance with this guide 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 may not be initially observed. This guide also recognizes the inherent subjective nature of BIS's opinions as to such issues as workmanship, quality of original installation, and estimating the Remaining Useful Life of any given component or system. The guide recognizes a consultant's suggested remedy may be determined under time constraints, 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 physical deficiency. The consultant's opinions generally are formed without detailed knowledge from those familiar with the component's or system's performance.

Not Technically Exhaustive—Appropriate due diligence according to this guide is not to be construed as technically exhaustive. There is a point at which the cost of information obtained or the time required to conduct the PCA and prepare the PCR may outweigh the usefulness of the information and, in fact, may be a material detriment to the orderly and timely completion of a commercial real estate transaction. It is the intent of this guide to attempt to identify a balance between limiting the costs and time demands inherent in performing a PCA and reducing the uncertainty about unknown physical deficiencies resulting from completing additional inquiry.