



Project Resources Inc.

PHASE I ENVIRONMENTAL ASSESSMENT

**Shalom Geriatric Center
7801 Holmes Road
Kansas City, Missouri 64131
PRI Project # 84839.012**

for

**Zevco Enterprises, Incorporated
Two North LaSalle Street
Chicago, Illinois 60602**

February 11, 2000

SECTION 1.0
SUMMARY

Property Description

ADDRESS	KANSAS CITY HEALTH CARE AND REHABILITATION CENTER 7801 HOLMES ROAD KANSAS CITY, MISSOURI 64131
Size	Land 8.8 acres, Building 102,000 square foot
Age of Buildings	Original Construction was in the early 1950's with updates and additions added
Number of Rooms/Beds	114 Rooms/ 196 beds
Number of Buildings	One geriatric center, one maintenance building (constructed in 1966) and one single family home
Number of stories	The Geriatric center is two and three stories; mechanical building is one story
Amenities:	Interior courtyard, walking paths, beauty salon, social halls, and activity rooms
Parking	Large parking lot to the North
Site Configuration	Building reside on 8.8 acre rectangular plot
Landscaping	Moderate landscaping including trees, shrubs, bushes and grass
Building foundation(s)	Continuous concrete spread footings, cast in place concrete and concrete masonry unit (CMU) foundation walls at perimeter and load bearing locations
Building structural systems (s)	Cast in place concrete and CMU walls, cast in place concrete roof deck (geriatric center), and a steel framed roof structure (mechanical building)
Building exterior(s)	Brick masonry, glass block, limestone and metal siding
HVAC system	Hydronic heating via tow low-pressure, dual fired (complete with underground fuel storage tank) steam boilers, exchangers, pumps, air handling units and electric fan coils. Three chillers (2 X 225-ton and 1 X 50-ton capacity) and three cooling towers (with associated capacities)
Hot water system	Domestic hot water is provided by one gas-fired boiler (A. O. Smith brand) and one 2,000-gallon storage tank. Hot water to the kitchen and laundry is provided by tow A. O. Smith gas-fired boilers and two storage tanks.
Flooring	Limited resident rooms contain carpet, while most contain vinyl flooring. All resident bathrooms contain ceramic tile flooring.
Walls and Ceilings:	Living spaces include painted plaster walls and acoustic ceilings. Bathrooms include painted plaster walls and ceilings and ceramic tile wainscot.
Adjacent Properties:	Shalom Plaza (a senior apartment complex) and single family residences, A church, duplexes and single family residences.

Project Resources Inc.
Phase I Environmental Assessment

REPORT CONTENTS

- Section 1.0 - Summary**
- Section 2.0 - Assessment Methodology and Report Limitations**
- Section 3.0 - Property Description and Prior Use**
- Section 4.0 - Environmental Hazards Assessment**
 - 4.1 - Asbestos**
 - 4.2 - Polychlorinated Biphenyls**
 - 4.3 - Radon**
 - 4.4 - Underground / Above-Ground Storage Tanks**
 - 4.5 - Hazardous Waste Activity**
 - 4.6 - Lead-Based Paint**
 - 4.7 - Subject Housekeeping/Additional Hazards**
- Section 5.0 - Regulatory Agency Data Review**
- Appendix A - Photographs**
- Appendix B - Regulatory Agency Data Report**
- Appendix C - Supporting Documentation**
- Appendix D - Laboratory Reports**

Project Resources Inc.

Phase I Environmental Assessment

SECTION 1.0 - SUMMARY

In accordance with our proposal agreement with Zevco Enterprises, Incorporated, Project Resources Inc. (PRI) performed a Phase I environmental survey of the subject property on February 9, 2000. The subject is a skilled nursing facility constructed circa 1950 in Kansas City, Jackson County, Missouri. In addition, three single family residences located at 7711 Holmes, 845 East 78th Street, and 908 East 78th Street were assessed for the environmental assessment.

The following report summarizes the independent conclusions representing PRI's best professional judgement and is based on information and data available to us during the course of this assignment. Factual information regarding operations, conditions, and test data provided by the Client, the owner, and/or their representative(s) has been assumed to be correct and complete. Additionally, the conclusions presented are based on the conditions that existed at the time of the assessment. Note that on-site observation of the subject consisted of readily visible, accessible areas only.

Assessment Component	Acceptable	Acceptable, Requires O&M	Phase I Information Pending	Phase II Level Research	Phase II Subsurface Investigation
Historical Review	T				
Asbestos		T			
PCBs	T				
Radon	T				
On-site USTs / AGTs		T			
On-site Hazardous Waste	T				
Lead-Based Paint		T			
Subject Housekeeping	T*				
Drinking Water	T				
Additional Hazards	T				
Regulatory Database Review	T				
Adjacent Properties	T				

* See Conclusion / Recommendations below

Project Resources Inc.

Phase I Environmental Assessment

Conclusions / Recommendations

Asbestos

Asbestos is present in the pipe wrap, vinyl flooring, and mastic materials at the subject. In addition, asbestos was identified in the acoustic ceiling material at the 7711 Holmes single family residence. During our site survey, minor damage was observed to the pipe wrap insulation materials in the mechanical building. PRI's opinion of the probable cost to abate the damaged pipe wrap material that PRI observed is approximately \$3,000. Although the damage appeared to be minor and the matter is in an area with limited exposure to tenants, PRI recommends this work be completed immediately. The recommended option for addressing the presence of ACM at the subject is the development and implementation of an asbestos Operations and Maintenance (O&M) program to include the repair or removal of any damaged ACM which may present a health hazard. The cost for the asbestos O&M program is \$350. Please note that there may be additional damaged pipe wrap material that was not visible or accessible during our survey. As part of the recommended O&M program, management should complete a visual survey noting the condition of all identified asbestos containing materials. Any damaged material should be removed or repaired by qualified personnel.

Lead-Based Paint

One paint sample, taken from the wall in the bedroom of the single family residence at 908 East 78th Street, exceeds the Department of Housing and Urban Department (HUD) limits for lead concentration (i.e. is more than 0.5% lead by weight). The recommended option for addressing the presence of lead-based paint at the subject is the development and implementation of a lead paint Operations and Maintenance (O&M) Program. The cost for the lead paint O&M is \$350.

Subject Housekeeping

During our site survey, paints, cleaning products, cooling tower chemicals, and miscellaneous materials used in connection with routine subject maintenance were observed stored in the mechanical building. In addition, several cooling tower chemical barrels and paint containers were stored outside the mechanical building in the grassy area. PRI recommends that these materials be moved inside the mechanical building to prevent unauthorized use or accidental spills. In addition, a few paint containers and chemicals inside the building were stored near the floor drain. PRI recommends that these chemicals be moved away from the drain to prevent spills.

Project Resources Inc.

Phase I Environmental Assessment

Underground Storage Tanks

An Operations and Maintenance (O&M) program is recommended for the USTs at the subject.

This program is to be developed and managed by the subject. It should include the following:

- a) Immediate integrity testing of the older 6,800 gallon tank to ensure its structural integrity; if the results of the integrity test review that the structural integrity has been compromised, Phase II activities (i.e. soil sampling) may be warranted. PRI's opinion of probable cost to perform an integrity test is approximately \$1,500.
- b) Provide Mr. Crawshaw of the Missouri Natural Resources the four documents as described in Section 4.4 to remove the "violation" status from the subject.
- c) Maintain the tanks in accordance with all applicable state and local guidelines.

Based on the scope of work performed, no additional concerns requiring further investigation exist at this time.

Project Team

The project team consisted of the following individuals:

Surveyed by: Chris Davis, Project Engineer

Researched and Written by: Brandy Groves, Quality Control Manager

Reviewed by: Noreen Clindinning, Managing Director

SECTION 2.0
ASSESSMENT METHODOLOGY AND REPORT LIMITATIONS

Project Resources Inc.

Phase I Environmental Assessment

SECTION 2.0 - ASSESSMENT METHODOLOGY AND REPORT LIMITATIONS

The Phase I Environmental Assessment is an effort to evaluate a property's environmental status. The assessment involves the following: 1) a review of federal, state, and county / local environmental records for the property and immediate surrounding area; 2) an on-site survey of the subject property, buildings, grounds, and boundaries with adjoining properties to identify obvious hazardous materials contamination; and 3) an investigation into the property's prior uses. If potential hazards or contaminants are noted during the Phase I investigation, a Phase II environmental review may be required, including additional information gathering and/or physical sampling. The Phase I Assessment is principally a screening exercise designed to identify environmental "red flags."

Assessment Activities

The Phase I Assessment for the subject included the following tasks:

- A site survey of the subject and adjacent properties, the purpose of which is to look for evidence of potential contamination and/or the presence of hazardous substances.
- Testing for the presence of radon gas.
- Limited bulk sampling and testing of visible, suspected asbestos-containing material.
- Limited bulk sampling and testing of possible lead-based paint.
- Interviews with property personnel regarding previous and current uses at the subject and surrounding properties.
- Review of state and federal lists to assess the potential for hazardous materials generators or leaking USTs within the vicinity of the subject.
- Review of existing documentation, as available, regarding prior investigation, events, or conditions on the site and in the immediate vicinity relating to spills, discharges, or other activities resulting in environmental concerns or the presence of hazardous materials.
- Search for historical aerial photographs of the subject property and immediate surrounding

Project Resources Inc.

Phase I Environmental Assessment

area.

- Topographic map review of the subject property and immediate surrounding area.
- Regional geologic map review of the subject area.
- Preparation of a report documenting our findings and presenting our recommendations and professional opinions regarding observed or suspected environmental concerns.

Subject Point of Contact

At the subject, Mr. Chris Davis met with Mr. Gary Travers and Mr. Tom Wieley, of the Engineering Maintenance Department, who answered questions regarding the property as they were able.

Regulatory Agency Data Review

The regulatory agency report provided is based on an evaluation of the data collected and compiled by a contracted data research company. The report is based on a radius search which focuses on both the subject and neighboring sites which may impact the subject. Neighboring sites listed in governmental environmental records are identified within a specific search distance. The search distance varies depending upon the particular government record being checked. The search is designed to meet the requirements of the current industry approach and the ASTM Standard E 1527-97. The information provided is assumed to be correct and complete.

Report Limitations

This report is prepared solely for the use and benefit of Zevco Enterprises, Incorporated in accordance with their guidelines for the purposes of obtaining a mortgage. No other party may rely on this report. Our professional services have been performed, our findings obtained and our recommendations prepared in accordance with customary principles and practices in the field of environmental science. This warranty is in lieu of all other warranties either expressed or implied. This company is not responsible for the independent conclusions, opinions or recommendations made by others based on the field exploration presented in this report.

It should be noted that all surficial environmental assessments are inherently limited in the sense that conclusions are drawn and recommendations developed from information obtained from

Project Resources Inc.

Phase I Environmental Assessment

limited research and site evaluation. Subsurface conditions were not field investigated as part of this study and may differ from the conditions implied by the surficial observations. Additionally, the passage of time may result in a change in the environmental characteristics at this site and surrounding properties.

It must be noted that no investigation can absolutely rule out the existence of any hazardous materials at a given site. This assessment has been based upon prior site history and observable conditions and activities. Existing hazardous materials and contaminants can escape detection using these methods.

The work performed in conjunction with this assessment and the data developed are intended as a description of available information at the dates and location given. This report does not warrant against future operations or conditions, nor does it warrant against operations or conditions present of a type or at a location not investigated. In addition, this report is not intended as a regulatory agency compliance/safety audit or for the purpose of ensuring that all applicable permits and/or operating procedures are current and/or appropriate.

PRI recommends that any periodic review of any property should include an update of information on environmental conditions in the area. Note that no soils, groundwater, or potable water testing for the presence of hazardous substances was performed for this assessment.

Project Resources Inc.
Phase I Environmental Assessment

Closing

We appreciate the opportunity to provide you with environmental assessment services and trust that the enclosed information is adequate for your decision-making needs. Should you have any questions or if we can be of further assistance, please do not hesitate to contact the undersigned at (858) 505-1000.

Sincerely,

PROJECT RESOURCES INC.



R. Randy Davis
Client Manager