



North Carolina Department of Environment and Natural Resources

Pat McCrory
Governor

John E. Skvarla, III
Secretary

July 24, 2014

Sent Via E-mail and USPS

Jay W. Levell
WP Hawkins Holdings, LLC
Two Morrocroft Centre
4064 Colony road, Suite 430
Charlotte, NC 28211
jay@whitepointpartners.com

Subject: Letter of Eligibility
R&S Textile Machinery
Charlotte, Mecklenburg County
Brownfields Project Number 18029-14-60

Dear Mr. Levell,

The North Carolina Department of Environment and Natural Resources (DENR), Brownfields Program has reviewed your July 9, 2014 Brownfields Property Application (BPA) submitted on behalf of WP Hawkins Holdings, LLC as a Prospective Developer seeking a brownfields agreement regarding the subject site. We are very enthusiastic about the potential for public benefit offered by the reuse of the former R&S Textile Machinery site. This application also includes the Hamilton Property located at 2135 Dunavant Street Brownfields Project No. 01006-97-60 recorded in April 2001. Currently, the Hamilton Brownfields Property does not allow for all the uses listed in the July 2014 BPA. This issue will be addressed either through an amendment or a new agreement with the entire property. We will consult with you and the Attorney General's Office on the best course of action. Upon review of the BPA with respect to the requirements of the Brownfields Property Reuse Act of 1997, DENR has determined that this project is eligible for entry into the North Carolina Brownfields Program and for continued evaluation for a Brownfields Agreement.

The next step in the process will involve a detailed review of available environmental and other relevant data to determine what is currently known about contamination at the site, and what, if any, information gaps may exist that may require additional assessment. We are in receipt of several environmental reports and other supporting documentation regarding the site. Historical site information from the files of DENR's Division of Waste Management will also be utilized during the evaluation process. Please forward any additional information or data you may have or can acquire for our evaluation. This should include reports from other DENR agencies or regional offices. We will contact you regarding any additional assessment that may be necessary to establish that the property is or can be made suitable for the intended reuse, as required by statute.

According to the BPA, the intended redevelopment for the site is mixed use including residential, commercial, retail, office, recreational, open space, and parking. Because risk management decisions may vary depending on the nature of the redevelopment, it will be important that DENR review the locations of the various elements. Please forward any maps or drawings indicating these details, even if they are only preliminary or conceptual. **Also:** Please note that WP Hawkins Holdings, LLC does not have the liability protections a Brownfields Agreement offers unless and until it is executed. Thus, pending the execution of a Brownfields Agreement, you operate at the site at the risk of jeopardizing your eligibility and/or becoming a party responsible for the contamination at the site if an agreement is not finalized. This makes it very much in your interest to consult closely with the Project Manager regarding any planned site activities prior to agreement finalization.

Please be aware that if the applicant Prospective Developer, WP Hawkins Holdings, LLC , does not actually buy, the property for redevelopment, it cannot be a Prospective Developer under our authorizing statute and loses its eligibility for the Brownfields Program. This refers to WP Hawkins Holdings, LLC itself, not an affiliate or any other party.

Also, if a party other than the Prospective Developer will own the Brownfields property at the conclusion of the brownfields process, the final Notice of Brownfields Property (which gets recorded at the Register of Deeds' office and to which the Brownfields Agreement is an exhibit) must be signed not only by the Prospective Developer but by that property owner. Failure by the Prospective Developer to ensure, by the time Brownfields Agreement negotiations are complete, the willingness to sign of any such party, and to provide DENR the exact name, e-mail address, telephone number and U.S. mail address of the party (along with signatory/signatory's title in the case of an entity) will delay, and could prevent, the Brownfields Agreement taking effect.

Again, we are excited about the potential for public benefit for Charlotte offered by the reuse of the former R&S Textile Machinery site, and we look forward to working with you to advance this brownfields redevelopment project. If you have questions about this correspondence or require additional information, please feel free to contact the Project Manager by phone at 704-661-0330, or by e-mail Carolyn.minnich@ncdenr.gov

Sincerely,



Michael Scott, Deputy Director
Division of Waste Management

cc: Project File

ec: Bruce Nicholson, DENR
Carolyn Minnich, DENR
Chris Walker, K&L Gates