



Waste Management
ENVIRONMENTAL QUALITY

PAT MCCRORY
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DONALD R. VAN DER VAART
Secretary

MICHAEL SCOTT
Acting Director

April 28, 2016

Sent Via USPS and email

Mr. Anthony M. Kuhn
Flywheel Group, LLC
427 Shasta Lane
Charlotte, NC 28211
tony.kuhn15@gmail.com

Subject: Letter of Eligibility
Kaiser Fluids Tech II
530 East Sugar Creek Road
Charlotte, Mecklenburg County
Brownfields Project Number 20026-16-060

Dear Mr. Anthony M. Kuhn:

The North Carolina Department of Environmental Quality (DEQ) has received and reviewed your April 6, 2016 Brownfields Property Application (BPA) submitted by Mr. Matt Ingalls of Hart & Hickman, PC on behalf of Flywheel Group, LLC as a Prospective Developer seeking a brownfields agreement regarding the subject site. Upon review of the BPA with respect to the requirements of the Brownfields Property Reuse Act of 1997, DEQ has determined that this project is eligible for entry into the North Carolina Brownfields Program (NCBP) and for continued evaluation for a Brownfields Agreement (BFA).

The next step in the BFA 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 the following documents submitted with your BPA: *Phase I and II ESA* dated December 19, 2011 prepared by Hart & Hickman; *Request for Variance Addendum* dated June 9, 2006 prepared by ETIC Engineering; and *Supplemental Investigation and Remediation Report* dated May 9, 2005 prepared by ETIC Engineering.

If available, historical site information from the files of DEQ'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 DEQ 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)

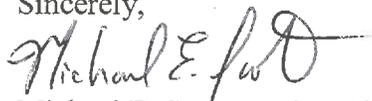
According to the BPA, the intended redevelopment for the site involves initially utilizing the space for commercial and industrial with the potential for multi-family residential in the long range future. Because risk management decisions may vary depending on the nature of the redevelopment, it will be important that DEQ review the locations of the various elements. Please forward any maps or drawings indicating these details, even if they are only preliminary or conceptual.

Please note: pending execution of a final BFA, NCBP eligibility is provisional. The protections a BFA offers the Prospective Developer are *not in effect*, unless and until, the BFA is executed. If you occupy the property or operate or conduct activities at the site that result in a release of regulated substances before a BFA has been finalized for the property, you may be considered to have caused or contributed to contamination at the property. Because an entity that could be considered to have caused or contributed to contamination at the property cannot be a Prospective Developer under the Act, your eligibility for participation in the NCBP would be placed in jeopardy. Consult closely with your Project Manager regarding any planned site activities prior to agreement finalization. You are cautioned to conduct all such operations and activities at the site with great care not to cause a release of regulated substances at the property that could jeopardize your eligibility for participation in the NCBP.

If a party other than the Flywheel Group, LLC will own the Brownfields Property at the conclusion of the brownfields process, the final document (which gets recorded at the register of deeds' office) must be signed not only by Prospective Developer, but by that owner. Failure by the Prospective Developer to ensure, by the time the BFA negotiations are complete, the willingness to sign of any such party, and to provide DEQ the exact name, email address, telephone number, and US mail address of the party (along with the signatory/ signatory's title in the case of an entity) will delay, and could prevent, the BFA taking effect.

We are excited about the potential for public benefit offered by the reuse of the Kaiser Fluids Tech II site, and 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 Carolyn Minnich by phone at (704 661 0330), or by e-mail at Carolyn.Minnich@ncdenr.gov.

Sincerely,



Michael E. Scott, Acting Director
Division of Waste Management

cc: BF Central Filing, DEQ
Bruce Nicholson, DEQ
Carolyn Minnich, DEQ
Matt Ingalls, H&H