Waste Management
ENVIRONMENTAL QUALITY

PAT MCCRORY
Governor

DONALD R. VAN DER VAART
Secretary

MICHAEL SCOTT
Director

September 21, 2016

Sent Via USPS and Email

Alexander G. Kelly
Centerlane Innes Street, LLC
2820 Slewyn Avenue, Suite 425
Charlotte, NC 28209
akelly@tribek.com

Subject: Letter of Eligibility
Centerlane Innes Street, LLC
1517, 1539, 1541 East Innes Street
Salisbury, Rowan County
Brownfields Project Number 20029-16-080

Dear Mr. Kelly:

The North Carolina Department of Environmental Quality (DEQ) has received and reviewed your April 5, 2016 Brownfields Property Application (BPA) on behalf of SBBHAK, LLC as a Prospective Developer seeking a brownfields agreement regarding the subject site. On April 15, 2016 DEQ requested the Redevelopment Now fee for this project and subsequently DEQ made several follow up requests for the fee. On August 31, 2016, Centerlane Innes Street, LLC submitted a revised BPA for consideration as an alternate PD from the April 5, 2016 application. has. Upon review of the BPA and associated documentation 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 Environmental Site Assessment*, Summit Engineering, Laboratory & Testing, Inc., dated December 12, 2015
- *Phase II Environmental Site Assessment*, Summit Engineering, Laboratory & Testing, Inc., dated February 3, 2016

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 includes a new 13,000 square-foot multi-tenant building for restaurant and retail use, construction of a second building for retail use, and the extension of Newsome Road to connect East Innes Street and Faith Road. 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 Centerlane Innes Street, 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 tile 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 Shops on Innes project, 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, Joselyn Harriger, by phone at 704-235-2195, or by e-mail at Joselyn.Harriger@ncdenr.gov.

Sincerely,

Bruce Nicholson
Brownfields Program Manager

ec: Central Files, DEQ
Michael Scott, DEQ
Joselyn Harriger, DEQ