

WYATT EARLY HARRIS & WHEELER, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW
1012 EASTCHESTER DRIVE
P.O. DRAWER 2086
HIGH POINT, NORTH CAROLINA 27261

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DAVID B. ASHCRAFT
KIM W. GALLIMORE
KIM R. BAUMAN
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ROBERT E. HAUSER
RETIRED

OFFICE ADDRESS

1012 EASTCHESTER DRIVE, SUITE 400
HIGH POINT, NC 27260

TELEPHONE
(910) 884-4444

FACSIMILE
(910) 884-1102

March 16, 1998

FAX MEMORANDUM

FACSIMILE NO.: (336)771-4632

TO: Sherri Knight-DEHNR

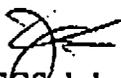
FROM: Frederick G. Sawyer

RE: Lowery Street Property-City of Winston Salem I-40 Industrial Park (former Hawksnest Property)

Dear Sherri:

As discussed this morning, enclosed please find the legal description for the Lowery Street property Mr. Lowder is considering buying from the City of Winston Salem.

I look forward to hearing from you.


FGS:drd
Enclosure

CONFIDENTIALITY CODE

EXHIBIT A

BEING ALL of Parcel B as shown on that map entitled "I-40 INDUSTRIAL PARK," #P-657, dated June 27, 1995, on file in the Engineering Records Center, Engineering Division, Public Works Department, City of Winston-Salem, and more particularly described as follows:

BEGINNING at point A in the eastern property line of W. Stokes Huff [Tax Lot 118, Block 544, Deed Book 1738, Page 1710], also a common corner of Huff Properties [Tax Lot 202, Block 2440; Deed Book 1818, Page 2479] and the City of Winston-Salem [Tax Lot 204, Block 2440]; thence with the southern boundary of Huff Properties S 75° 12' 12" E 357.05 feet to a point, the southwest corner of Dimmette Realty Company [Tax Lot 107-K, Block 2440; Deed Book 1693, Page 628]; thence with the southern boundary of Dimmette Realty the following three courses: S 72° 51' 34" E 246.67 feet, S 86° 09' 59" E 138.51 feet; and 48° 53' 28" E 30.9 feet to a point, the southwest corner of Taracorp, Inc. [Tax Lot 107-T, Block 2440; Deed Book 1767, page 4179]; thence with the southeasterly boundary of Taracorp, Inc. The following two courses and distances: N 48° 53' 28" E 358.69 feet and N 52° 15' 49" E 430.54 feet to a point in the southern right-of-way line of Lowery Street; thence with the southern right-of-way line of Lowery Street the following three courses and distances: N 73° 00' 53" E 60 feet to a point; thence with a curve to the right have a radius of 547.81 feet, a chord bearing and distance of N 85° 07' 10" E, 229.75 feet, and a length of 231.47 feet to a point; thence S 82° 46' 34" E 100.00 feet to a point in Brushy Fork Creek, the northwesterly corner of Flakt Products, Inc. [Tax Lot 107-Q, Block 2440; Deed Book 1590, page 1413]; thence with the meanderings of Brushy Fork Creek, also the western boundary of Flakt Products, Inc., the following eleven courses and distances: S 58° 27' 27" W 125.21 feet; S 78° 16' 09" W 206.32 feet; S 42° 10' 50" W 71.51 feet; S 60° 45' 57" W 143.27 feet; S 29° 22' 21" W 91.79 feet; S 26° 33' 01" E 100.62 feet; S 24° 27' 31" W 60.42 feet; S 36° 02' 32" W 68.01 feet; S 75° 32' 40" W 160.08 feet; S 35° 33' 09" W 86.02 feet; S 59° 27' 14" W 121.94 feet and S 47° 37' 13" W 130.21 feet to a point in the northern right-of-way line of the Southern Railroad; thence with the northern right-of-way line of the Southern Railroad the following three courses and distances: N 83° 02' 07" W 110.00 feet; S 52° 53' 53" W 124.58 feet and thence with a curve to the right having a radius of 2,814.56 feet, a chord bearing and distance of N 76° 29' 07" W 653.42 feet, and a length of 654.90 feet to point C, also the southeastern corner of Parcel A of the within described map; thence with the eastern boundary of Parcel A N 10° 42' 54" E 232.67 feet to point B, the northeast corner of said Parcel A and the southeast corner of W. Stokes Huff; thence with the eastern boundary of W. Stokes Huff N 10° 42' 54" E 82.00 feet to the point and place of BEGINNING, containing 10.0778 acres, more or less.

Also commonly described as Tax Lot 204, Block 2440, Tax maps of Forsyth County as presently constituted.

The Grantor reserves unto itself an easement for ingress, egress, and regress [including, but not limited to, the right to construct, maintain, repair and replace a road] and for the construction, repair, replacement, and maintenance of public or private utilities, including but not limited to water, sewer, natural gas, telephone, and electric utilities. This easement extends twenty (20) feet in width on the easterly side of and adjacent and parallel to the western boundary of the tract herein conveyed, which easement is more particularly described on Map #P-657 hereinabove referred to.

NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES
WINSTON-SALEM REGIONAL OFFICE



JAMES B. HUNT JR.
GOVERNOR

WAYNE MCDEVITT
SECRETARY

DIVISION OF WATER QUALITY
GROUNDWATER SECTION

March 17, 1998

Mr. Gene Lowder
c/o Frederick G. Sawyer
Wyatt Early Harris & Wheeler, L.L.P.
P. O. Drawer 2086
High Point, NC 27261

SUBJECT: Lowery Street Property
City of Winston-Salem I-40 Industrial Park/Hawksnest Sports
Dunleith Avenue, Winston-Salem, Forsyth County

Dear Mr. Lowder:

In a phone conversation on March 12, 1998 with Rick Sawyer, he requested on your behalf that the Division of Water Quality provide a statement addressing the current regulatory status of the site. He also asked that we include any implication of effect the contamination present on the adjacent property could have on a purchaser of that parcel of land.

The State's rules concerning violations of the North Carolina groundwater standards are contained on Title 15A, Subchapter 2L, NCAC. When soil or groundwater contamination is identified at a site, these rules require assessment of the source, significance and extent of the contamination including delineation of both vertical and horizontal extent of contamination by the responsible party. Once assessment of the contamination is deemed complete by the Division, implementation of a corrective action plan is required.

Current Section policy requires that groundwater pollution incidents response be based on a priority ranking system, as there are more incidents of contamination that our staff can reasonably manage. Priority is given to sites where human health and safety are threatened by exposure to contaminants via consumptive and other direct use of groundwater, or by exposure to potentially explosive situations due to collected and concentrated vapors. We are not aware of any potentially affected receptors at this site although information is limited. Therefore, this site and the adjacent parcels are categorized as low priority, and as such, would receive no further regulatory review at this time including identification of responsible parties. However if the priority status of this site, system of site review, or regulatory rules should change, the Division would begin active review.

The contamination noted in the February 6, 1998 Engineering Tectonics report documents low level groundwater contamination of several tentatively identified compounds which do not have an established North Carolina groundwater standard. In these cases, any parameter identified above detection is considered in violation of the groundwater quality standards.

The responsibility for assessment and remediation of soil and groundwater contamination is assigned to the person or persons who conducted or controlled an activity which resulted in the groundwater contamination as defined by the groundwater rules. Liability is typically not assigned to a person or persons due to a purchase of contaminated property when a responsible party for the contamination can be identified. However, owning or controlling property from which contamination is discharging from an active source or from contaminated soil or groundwater could result in responsibility for a cleanup for the owner if other responsible parties cannot be identified. A review of the file indicated that the contaminants may be coming from a former asphalt batch plant located in the area (same site?/adjacent site?) although other potential sources were also identified in the past including demolition fill, storm drains and sewer lines. It is somewhat unclear which parcel is being considered. A 1990 report filed with this Division called the I-40 Industrial Park site as containing two parcels; one owned at that time by Hawksnest Sports of Lewisville and the other owned by the City of Winston-Salem.

I hope that this letter further clarifies the Division's position on this particular site. Please note that the Division is a regularity agency of the State and does not have the capacity to determine liability between parties involved in real estate transactions. If you have any questions, please feel free to contact me at the letterhead telephone or address.

Sincerely,



Sherri V. Knight
Groundwater Supervisor

cc: WSRO Files

WYATT EARLY HARRIS & WHEELER, L.L.P.
ATTORNEYS AND COUNSELLORS AT LAW
 1912 EASTCHESTER DRIVE, SUITE 400
 P.O. DRAWER 2085
 HIGH POINT, NORTH CAROLINA 27261

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OFFICE ADDRESS

1912 EASTCHESTER DRIVE, SUITE 400
 HIGH POINT, NC 27265

TELEPHONE
 (910) 884-4444

FACSIMILE
 (910) 884-1102

February 12, 1998

FAX MEMORANDUM

FACSIMILE NO.: 771-4632

TO: Sherri Knight-DEHNR

FROM: Frederick G. Sawyer

RE: Gene Lowder, Potential Purchase of Property Located at I-40 and Industrial Park-Former Hawks Nest Sports-Dunleith Ave. site), Winston-Salem, NC

Dear Sherri:

I regret that we have been unable to speak by telephone this week. I have tried you several times, but I understand you are out of the office.

I assume by now you have had an opportunity to read Engineering Tectonics final groundwater assessment report, dated February 5, 1998 on the above-referenced property. I would appreciate an opportunity to discuss this report with you at your earliest convenience. Mr. Lowder is trying to finalize a closing on the property, but as you know from our prior conversations an important consideration for Mr. Lowder is your department's reaction to these test results and the regulatory status of the property.

Please call me at your earliest convenience to discuss the matter. My direct number is 884-1000, extension 237. I know you have a busy schedule, but I believe we can resolve this in a short time if we can speak about the matter. I look forward to hearing from you.


 FGS:drd

cc: Gene Lowder (via telecopier 766-1943)

cc: Barry Nelson-Engineering Tectonics (via telecopier 724-7095)

cc: Ronald Matamoros (via telecopier 761-1530)

CONFIDENTIALITY CODE

NORTH CAROLINA DEPARTMENT OF
ENVIRONMENT AND NATURAL RESOURCES
WINSTON-SALEM REGIONAL OFFICE



JAMES B. HUNT JR.
GOVERNOR

WAYNE MCDEVITT
SECRETARY

DIVISION OF WATER QUALITY
GROUNDWATER SECTION

April 7, 1998

Mr. Gene Lowder
c/o Frederick G. Sawyer
Wyatt Early Harris & Wheeler, L.L.P.
P. O. Drawer 2086
High Point, NC 27261

SUBJECT: Lowery Street Property
City of Winston-Salem I-40 Industrial Park/Hawksnest Sports
Dunleith Avenue, Winston-Salem, Forsyth County

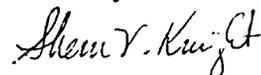
Dear Mr. Lowder:

I have reviewed the additional information received on March 31, 1998 for the subject site prepared by Engineering Tectonics. The additional information and maps clarify the sites in question and I agree that the contamination that has been identified on the tract that you are intending to purchase (Block 2440 - Lot 204) appears to be migrating onto the site from the adjacent property formerly owned by LA Reynolds and occupied by an asphalt facility.

As mentioned in my March 17, 1998 letter, the responsibility for assessment and remediation of soil and groundwater contamination is assigned to the person or persons who conducted or controlled an activity which resulted in groundwater contamination as defined by the groundwater rules. Liability is typically not assigned to a person due to a purchase of contaminated property when a responsible party for the contamination can be identified. However, owning or controlling property from which contamination is discharging from an active source or from contaminated soil or groundwater could result in responsibility for a cleanup for the property owner if other responsible parties cannot be identified. In this case, you would not be considered a responsible party for groundwater contamination migrating onto the property from an off site source and we are not requesting that you undertake any remedial action.

Obviously this letter would not absolve you from any contamination emanating from sources on your site that may not have been identified. If you have any questions, please feel free to give me a call.

Sincerely,

A handwritten signature in cursive script that reads "Sherri V. Knight".

Sherri V. Knight
Groundwater Supervisor

cc: WSRO Files



ENGINEERING TECTONICS, P.A.
GEOTECHNICAL & ENVIRONMENTAL ENGINEERS

P.O. Box I, Winston-Salem, NC 27108 (336) 724-6994

RECEIVED
N.C. Dept. of EHNR
MAR 31 1998
Winston-Salem
Regional Office

Wednesday, March 25, 1998

North Carolina Department of Environment
and Natural Resources
Division of Water Quality - Groundwater Section
Winston-Salem Regional Office
585 Waughtown St.
Winston-Salem, NC 27107

Attention: Sherri Knight

Subject: LARCO Site

Dear Ms. Knight

As discussed in our meeting of Monday, March 23, 1998, Engineering Tectonics, P.A. has developed a map showing the relationship between the old LA Reynolds tract and the City of Winston-Salem's tract off Lowery Street. Our client, Gene Lowder is trying to purchase the tract owned by the city. Tracts are identified for each of the previous and current owners below:

Block----545 lot-----202B.

Block----544 lots-----118A and 118B.

These are old LA Reynolds sites where an asphalt plant was located.*

Block----2440—lot-----204.

This lot is currently owned by the City of Winston-Salem and is in the process of being purchased by Gene Lowder.

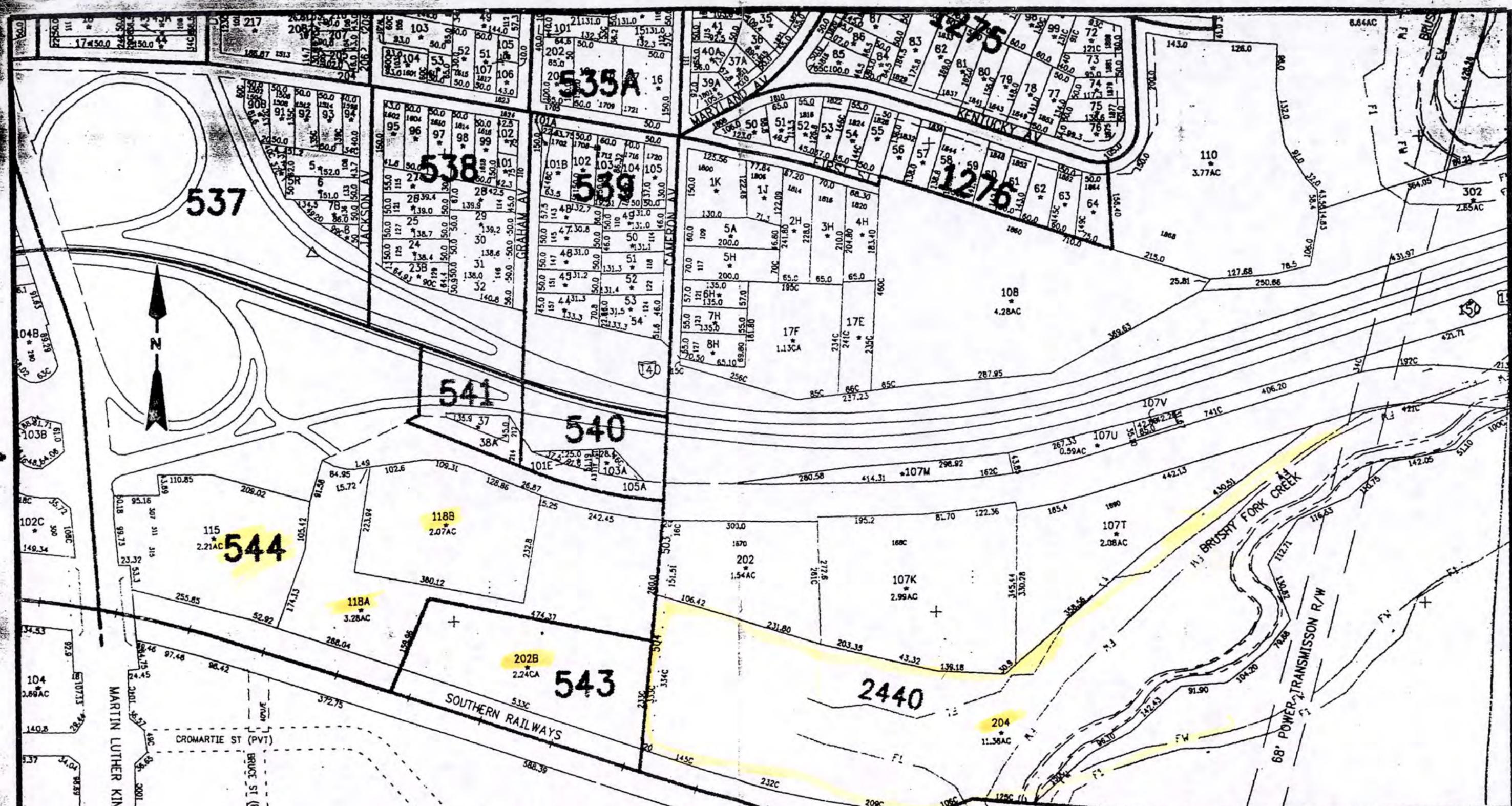
* Previously proposed as Piedmont Publishing Site.

Engineering Tectonics completed several assessments at the old LARCO site from 1987-1998. The results of the testing tends to support the contention that the LARCO site is the source of groundwater contamination on the tract Mr. Lowder wishes to develop.

If you have any questions, please contact me at (336) 724-6994 ext. 104.

Sincerely,

A.B. Nelson, P.G.
Senior Hydrogeologist



TAX MAP
LOWERY STREET PROPERTIES

LOCATION: WINSTON-SALEM, N.C. APPROVED BY: JMR
PROJECT #: DATE: 3/98 DRAWN BY: KWP

ENGINEERING TECTONICS, P.A.
GEOTECHNICAL / ENVIRONMENTAL ENGINEERS & SURVEYORS
P. O. BOX 1 WINSTON-SALEM, N.C. 27108
SCALE: 1"=200'
DWG. No. 9

WYATT EARLY HARRIS & WHEELER, L.L.P.
 ATTORNEYS AND COUNSELLORS AT LAW
 1012 EASTCHESTER DRIVE
 P.O. DRAWER 2088
 HIGH POINT, NORTH CAROLINA 27261

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OFFICE ADDRESS

1012 EASTCHESTER DRIVE, SUITE 400
 HIGH POINT, NC 27260

TELEPHONE
 (910) 884-4444

FACSIMILE
 (910) 884-1102

April 6, 1998

FAX MEMORANDUM

FACSIMILE NO.: 771-4632

TO: Sherri Knight-DEHNR

FROM: Frederick G. Sawyer

RE: Lowery Street Property-City of Winston Salem I-40 Industrial Park (former Hawksnest Property)

Dear Sherri:

I assume by now you have received Engineering Tectonics' March 25, 1998 letter with revised maps, which letter you had requested during our March 24, 1998 meeting at your office. We also understand, based on agreements we reached during that meeting, that DEHNR would issue a no further action letter on this site.

Because of the pending real estate purchase, we had hoped to have your letter last week. In any event, I would appreciate if you could fax this letter to my attention at your earliest convenience. My direct fax number is 884-1102.

Thanks for your attention to this request.


 FGS:dfd

cc: Gene Lowder-Lowder Inc (via telecopier: 766-1943)

CONFIDENTIALITY CODE

RECEIVED
N.C. Dept. of IR
MAR 26 1998
Winston-Salem
Regional Office

Wednesday, March 25, 1998

North Carolina Department of Environment
and Natural Resources
Division of Water Quality - Groundwater Section
Winston-Salem Regional Office
585 Waughtown St.
Winston-Salem, NC 27107

Attention: Linda Estowski

Subject: LARCO Site

Dear Ms. Estowski,

As discussed in our meeting of Monday, March 23, 1998, Engineering Tectonics, P.A. has developed a map showing the relationship between the old LA Reynolds tract and the City of Winston-Salem's tract off Lowery Street. Our client, Gene Lowder is trying to purchase the tract owned by the city. Tracts are identified for each of the previous and current owners below:

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Block----544 lots-----118A and 118B.

These are old LA Reynolds sites where an asphalt plant was located.*

Block----2440—lot-----204.

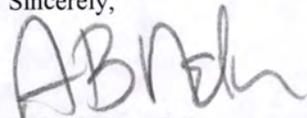
This lot is currently owned by the City of Winston-Salem and is in the process of being purchased by Gene Lowder.

* Previously proposed as Piedmont Publishing Site.

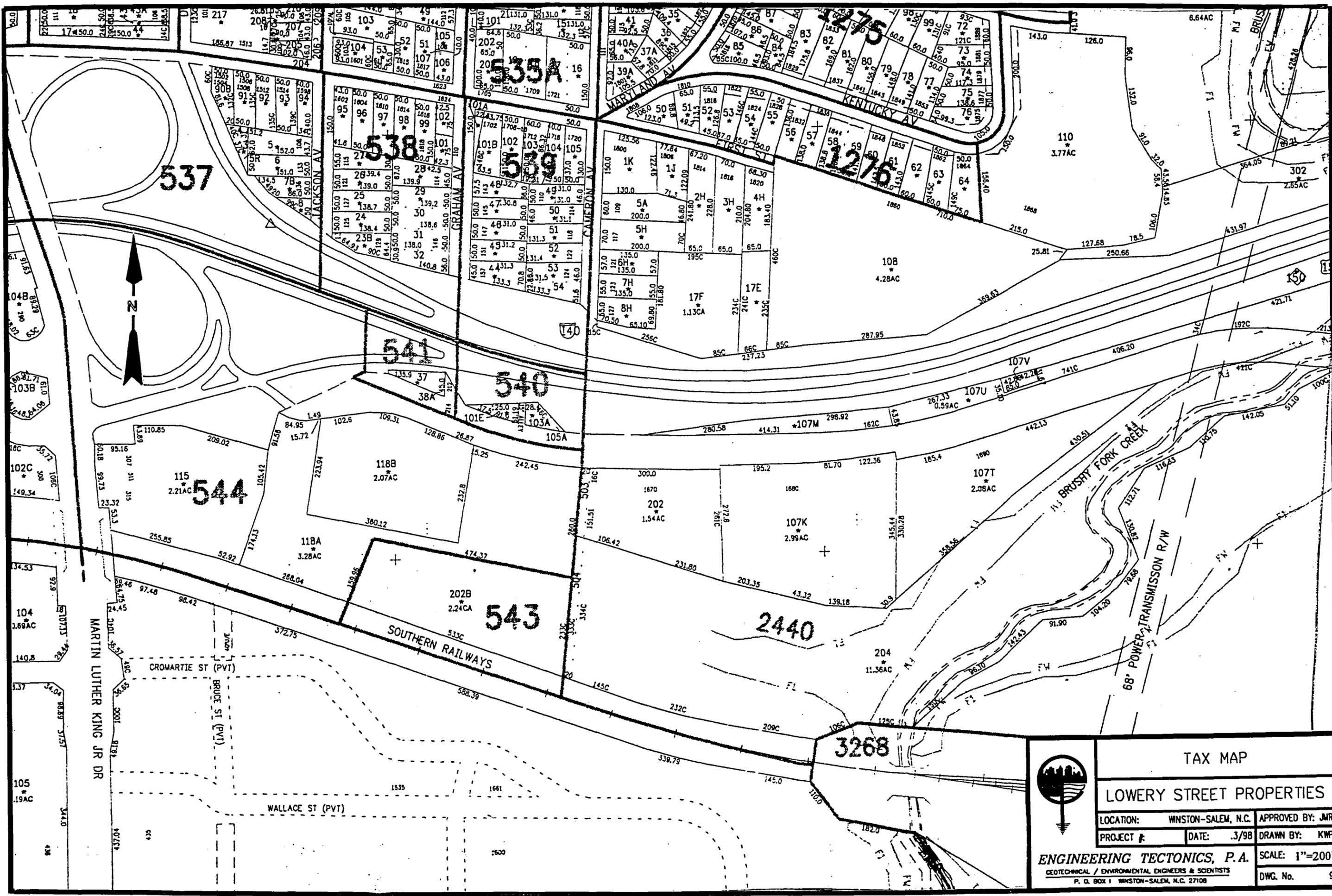
Engineering Tectonics completed several assessments at the old LARCO site from 1987-1998. The results of the testing tends to support the contention that the LARCO site is the source of groundwater contamination on the tract Mr. Lowder wishes to develop.

If you have any questions, please contact me at (336) 724-6994 ext. 104.

Sincerely,



A.B. Nelson, P.G.
Senior Hydrogeologist



TAX MAP

LOWERY STREET PROPERTIES

LOCATION:	WINSTON-SALEM, N.C.	APPROVED BY:	JMR
PROJECT #:		DATE:	.3/98
		DRAWN BY:	KWP

ENGINEERING TECTONICS, P.A.
 GEOTECHNICAL / ENVIRONMENTAL ENGINEERS & SCIENTISTS
 P. O. BOX 1 WINSTON-SALEM, N.C. 27108

SCALE: 1"=200'
 DWG. No. 9



	Aerial Photograph		
	LOWERY STREET PROPERTIES		
LOCATION:	WINSTON-SALEM, N.C.	APPROVED BY:	JMR
PROJECT #:	DATE: .3/98	DRAWN BY:	KWP
ENGINEERING TECTONICS, P.A.			SCALE: 1"=200'
<small>GEOTECHNICAL / ENVIRONMENTAL ENGINEERS & SCIENTISTS</small>			DWG. No. 9
<small>P. O. BOX 1 WINSTON-SALEM, N.C. 27108</small>			

N.C.G.S. "CAMEL"
N. 857,076.4560
E. 1,632,459.854

N.C.G.S. "CLAREMONT"
N. 855,722.6570
E. 1,637,646.2300

E. 1,638,000
N. 855,500

REYNOLDS BLDG.

INTERSTATE 40
WESTBOUND LANE
EASTBOUND LANE

ENTRANCE RAMP

ASPH. PAVE.

NAEGELE OUTDOOR
ADV., INC. 1498-050
BLK. 540

CITY OF W-S
1,493-1,112

CONTROL COR.
N. 855,265.1804
E. 1,637,622.8370

N.C.S.H.C.(N.C.DOT.)
D.B. 780, P.044

LOWERY ST.

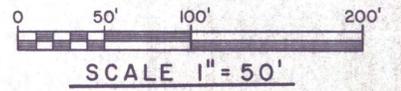
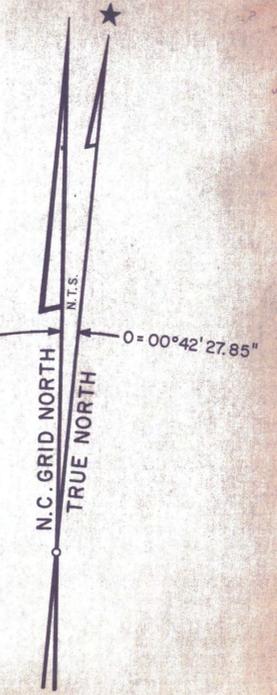
BLOCK

544

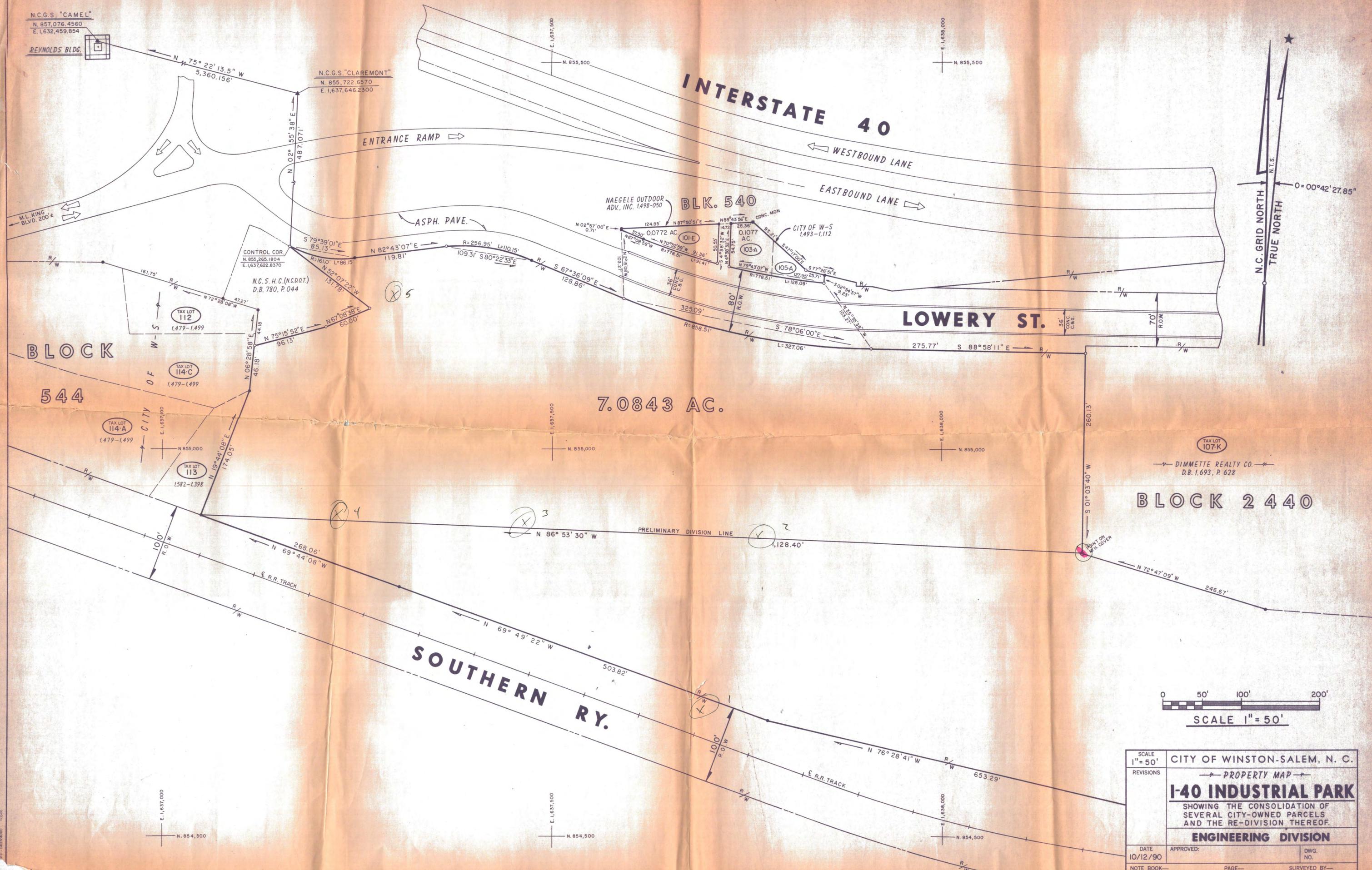
7.0843 AC.

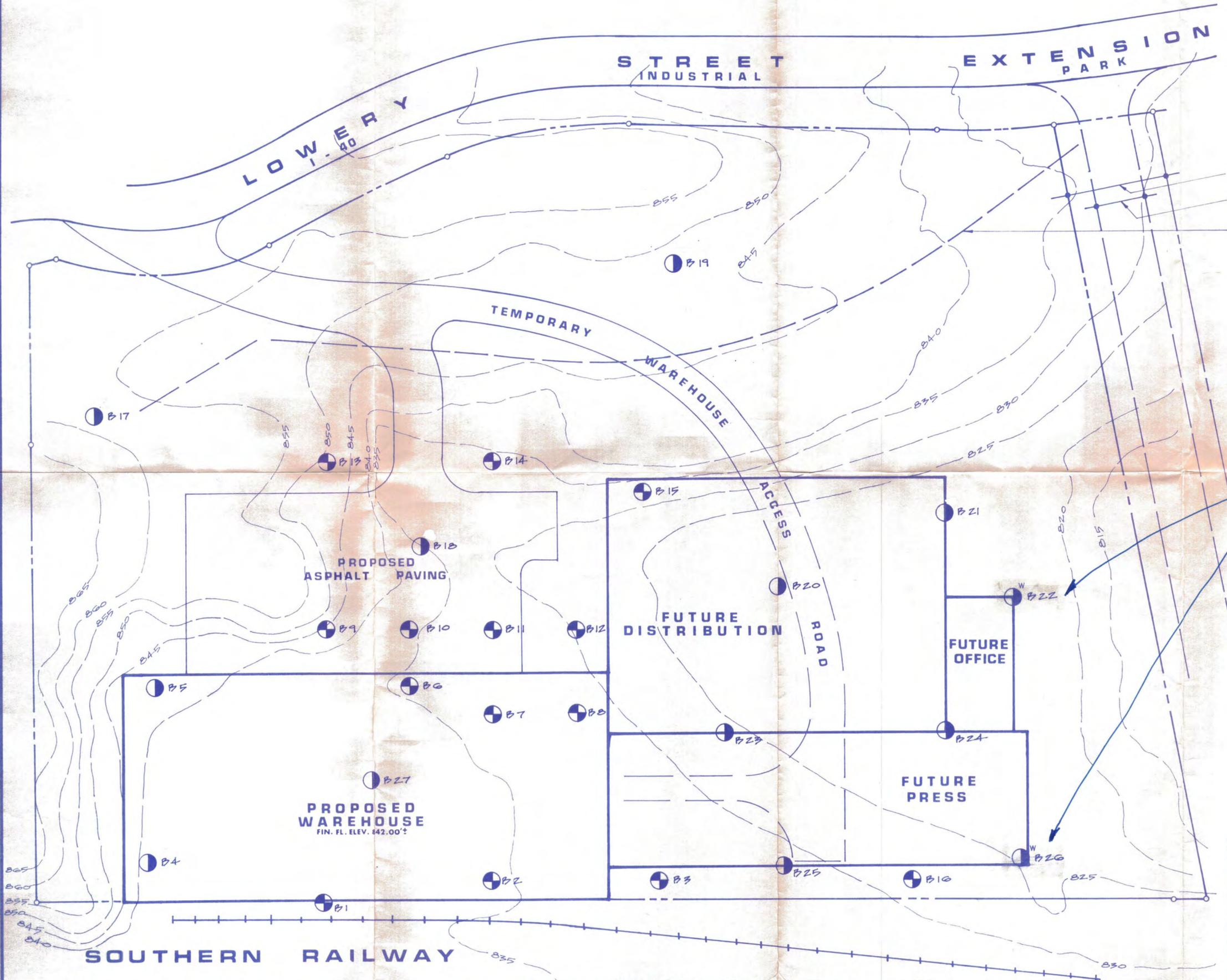
BLOCK 2440

TAX LOT 107-K
DIMMETTE REALTY CO.
D.B. 1,693, P. 628



SCALE 1"=50'	CITY OF WINSTON-SALEM, N. C.	
REVISIONS	PROPERTY MAP	
	I-40 INDUSTRIAL PARK	
	SHOWING THE CONSOLIDATION OF SEVERAL CITY-OWNED PARCELS AND THE RE-DIVISION THEREOF.	
	ENGINEERING DIVISION	
DATE 10/12/90	APPROVED:	DWG. NO.
NOTE BOOK—	PAGE—	SURVEYED BY—
DRAWN BY—WAYNE HORTON		R. WILLIS





R.O.W. FUTURE STREET
 FUTURE STREET
 APPROXIMATE LOCATION OF NATURAL GAS LINE

PROPOSED WELL LOCATIONS
 3/90

LEGEND

- 1987 BORINGS
- 1988 BORINGS
- BORINGS WITH MONITORING WELL
- PROPERTY LINE
- TOPOGRAPHY

ENGINEERING TECTONICS, P.A.
 ENGINEERS - GEOLOGISTS - HYDROLOGISTS
 P.O. Box 11846, Winston-Salem, NC 27108

BORING AND WELL DIAGRAM

PIEDMONT PUBLISHING CO. INC.
 WINSTON-SALEM, NORTH CAROLINA

3 - - 88 87 - 177 A & E

DRAWN BY: JB APPROVED BY:



SCALE: 1" = 40' **FIGURE 2**

NOTE 1: EXISTING STOCKPILES OF FILLS IN AREA OF FUTURE DISTRIBUTION, PRESS AND OFFICES HAVE BEEN LEVELED AND REGRADED SINCE THE 0-22-87 TOPOGRAPHIC SURVEY. TOPOGRAPHY IN THESE AREAS MAY THEREFORE BE INACCURATE.

NOTE 2: PROPERTY LINE INFORMATION TAKEN FROM A MAP ENTITLED "NEWSPRINT STORAGE FACILITIES - PIEDMONT PUBLISHING CO., INC." SHEET A-1 SUPPLIED BY CHODIFF ASSOCIATES, WINSTON-SALEM, NC. TOPOGRAPHIC INFORMATION TAKEN FROM A MAP ENTITLED "PORTION OF LOT 202 AND III, TAX BLOCK 544 - PIEDMONT PUBLISHING CO.", COMPILED BY JOHN G. BANE & ASSOCIATES, P.A. AND IS NOT AN ACTUAL FIELD SURVEY BY ENGINEERING TECTONICS, P.A.



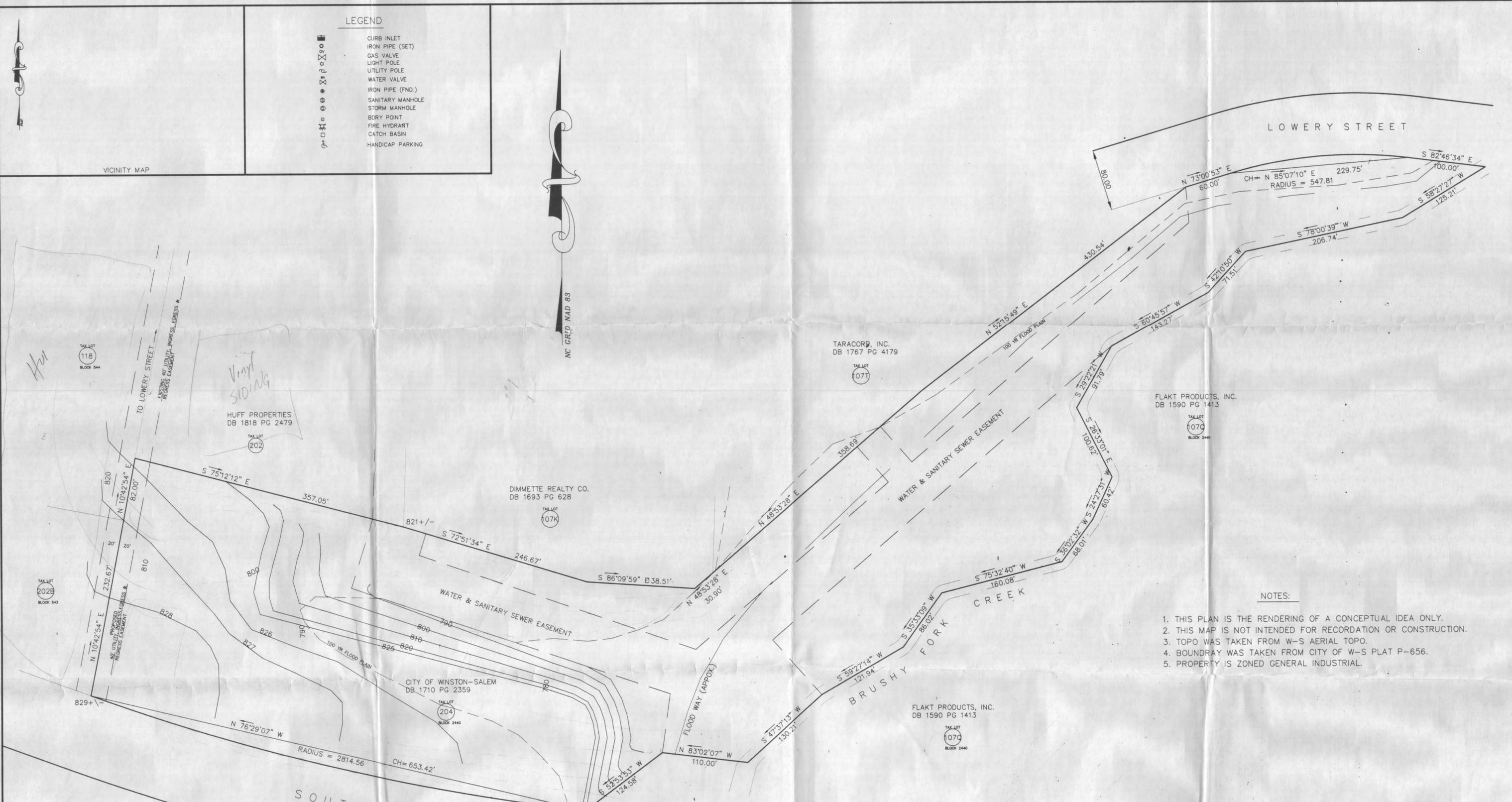
LEGEND

-  CURB INLET
-  IRON PIPE (SET)
-  GAS VALVE
-  LIGHT POLE
-  UTILITY POLE
-  WATER VALVE
-  IRON PIPE (FND.)
-  SANITARY MANHOLE
-  STORM MANHOLE
-  BDRY POINT
-  FIRE HYDRANT
-  CATCH BASIN
-  HANDICAP PARKING

VICINITY MAP



NC GRID NAD 83



TARACORP, INC.
DB 1767 PG 4179

FLAKT PRODUCTS, INC.
DB 1590 PG 1413

DIMMETTE REALTY CO.
DB 1693 PG 628

CITY OF WINSTON-SALEM
DB 1710 PG 2359

FLAKT PRODUCTS, INC.
DB 1590 PG 1413

NOTES:

1. THIS PLAN IS THE RENDERING OF A CONCEPTUAL IDEA ONLY.
2. THIS MAP IS NOT INTENDED FOR RECORDATION OR CONSTRUCTION.
3. TOPO WAS TAKEN FROM W-S AERIAL TOPO.
4. BOUNDARY WAS TAKEN FROM CITY OF W-S PLAT P-656.
5. PROPERTY IS ZONED GENERAL INDUSTRIAL.

MAP REFERENCES	
CITY OF W-S P-656	
DEED REFERENCES	
DB 1710 PG 2359	

CONCEPTUAL PLAN
 PREPARED FOR MARVIN EUGENE LOWDER
 I-40 INDUSTRIAL PARK
 TAX BLOCK 2440 LOT 204
 WINSTON TOWNSHIP
 FORSYTH COUNTY, NORTH CAROLINA

KUHN CONSTRUCTION SURVEYS

168 BUCKEYE TRAIL
 MOCKSVILLE, NC 27028
 (910) 998 - 3681

LAST REVISED

JOB NUMBER: 119-L
 FILE NAME: LOWDER1.DWG
 ORIENTED TO: GRID NORTH NAD 83
 SURVEY BY: NONE
 SCALE: 1" = 60'
 DATE: 02/27/97
 PRECISION: NA



(IN FEET)
 1 INCH = 60 FEET
 GRAPHIC SCALE

PROFESSIONAL SEAL



State of North Carolina
Department of Natural Resources and Community Development
Winston-Salem Regional Office

James G. Martin, Governor

William W. Cobey, Jr., Secretary

DIVISION OF ENVIRONMENTAL MANAGEMENT
GROUNDWATER SECTION

March 13, 1990

Hawksnest Sports
c/o A. Barry Nelson
Engineering Tectonics
P.O. Box 11846
Winston-Salem, N.c. 27116

Dear Gentlemen:

SUBJECT: MONITOR WELL CONSTRUCTION
PERMIT NO. 33-0375-WM-0113
FORSYTH COUNTY

In accordance with your application received March 9, 1990, we are forwarding herewith Monitor Well Construction Permit No. 33-0375-WM-0113 for the construction of three monitor wells in the Milton Belt Hydrogeologic Unit.

This Permit will be effective from the date of its issuance and shall be subject to the conditions and limitations as specified therein.

Sincerely,

Andrew M. Raring

Andrew M. Raring
Hydrogeological Regional
Supervisor

AMR/LDC/ahl

Enclosure

cc: Groundwater Section - Central Office
WSRO
County Health Department

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF ENVIRONMENT, HEALTH AND NATURAL RESOURCES

PERMIT FOR THE CONSTRUCTION OF
A MONITOR WELL OR WELL SYSTEM

In accordance with the provisions of Article 7, Chapter 87, North Carolina General Statutes, and other applicable Laws, Rules, and Regulations.

PERMISSION IS HEREBY GRANTED TO

Hawksnest Sports

FOR THE CONSTRUCTION OF THREE MONITOR WELLS in the Milton Belt Hydrogeologic unit located at off Dunleith Avenue, Winston-Salem, North Carolina in Forsyth County in accordance with the application dated March 7, 1990, and in conformity with the specifications and supporting data, all of which are filed with the Department of Environment, Health and Natural Resources and are considered a part of this Permit.

This Permit is for well construction only, and does not waive any provisions or requirements or any other applicable laws or regulations.

Construction of a well under this Permit shall be in compliance with the North Carolina Well Construction Regulations and Standards, and any other laws and regulations pertaining to well construction.

This Permit will be effective from the date of its issuance until September 13, 1990, and shall be subject to other specified conditions, limitations or exceptions as follows:

1. A permanent identification plate with the date of construction, depth of well, screen interval, depth of grout, drilling contractor, and his registration number shall be attached to the well head or the outer protective steel casing.

2. The well construction completion form and all water quality data are to be submitted to the Central Office of the Groundwater Section P. O. Box 27687, Raleigh, North Carolina 27611.
3. All laboratory analysis of Groundwater samples collected from the permitted monitor wells are to be submitted to North Carolina Department of Environment, Health, and Natural Resources, Groundwater Section, P. O. Box 27687, Raleigh, N. C. 27611 with a copy to the North Carolina Department of Environment, Health and Natural Resources, Groundwater Section, 8025 North Point Boulevard, Suite 100, Winston-Salem, N. C. 27106 within 60 days of well completion, and quarterly thereafter.
4. All additional investigative findings in relation to the pollution sources being monitored, as indicated in item J of permit application, are to be submitted to North Carolina Department of Environment, Health and Natural Resources, Groundwater Section, P. O. Box 27687, Raleigh, N. C. 27611 with a copy to North Carolina Department of Environment, Health, and Natural Resources, Groundwater Section, 8025 North Point Boulevard, Suite 100, Winston-Salem, N. C. 27106 within 60 days of well completion, and quarterly thereafter.
5. The well shall be afforded a means of protection against vandalism, damage, or unauthorized use.
6. When any monitor well is no longer useful for its intended purpose, it shall be abandoned in compliance with North Carolina Administrative Code 15. 2C.0113 and a well abandonment form sent to the North Carolina Department of Environment, Health, and Natural Resources, Groundwater Section, P. O. Box 27687, Raleigh, N. C. 27611 with a copy to North Carolina Department of Environment, Health and Natural Resources, Groundwater Section, 8025 North Point Boulevard, Suite 100, Winston-Salem, N. C. 27106.

Permit No. 33-0375-WM-0113
Page three

7. The monitor well shall be constructed in accordance with the Groundwater Section's recommended construction details as outlined in attachment #1.

Permit issued this the 13th day of March 1990

FOR THE NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION

Larry D. Coble

Larry D. Coble, Regional Supervisor
Division of Environmental Management

By Authority of the Environmental Management Commission

Permit No. 33-0375-WM-0113

MONITOR WELL PERMIT

DATE 3-13-90

NAME Hawknest Sports

ADDRESS O/C A Barry Nelson
Engineering TACTONICS
PO Box 11846, W-5, NC 27116

SALUTATION Dear Sir:

PERMIT NO. 33-0375-LUM-0113

COUNTY Forsyth

DATE RECEIVED 3-9-1990

NUMBER OF WELLS 3

HYDRO UNIT Milton Belt

COMPANY Hawknest Sports

M.W. LOCATION off Dunleith ave, W-5, forsyth county, NC

APP DATE 3-7-90

EXP. DATE 9-13-90

DAY ISSUED 3-13-90

MONTH/YEAR ISSUED _____



ENGINEERING TECTONICS, P.A.
ENGINEERS • GEOLOGISTS • HYDROLOGISTS

P.O. Box 11846, Winston-Salem, NC 27116 (919) 767-8807

RECEIVED
N.C. Dept. NRCD

MAR 9 1990

Winston-Salem
Regional Office

March 7, 1990

NC Division of Environmental Management
Groundwater Section
8003 Northpoint Blvd.
Winston-Salem, N.C. 27106

Attention: Steve Williams

Gentlemen:

Please find enclosed a permit application for the construction of two groundwater monitoring wells at the old L.A. Reynolds site on Dunleith Avenue beside WSSU. I have attached a well schematic and a location diagram.

Please forward a copy of the permit to my attention. Thank you.

Very truly yours,
ENGINEERING TECTONICS, PA

A. Barry Nelson, PG
Chief Hydrogeologist

NORTH CAROLINA
ENVIRONMENTAL MANAGEMENT COMMISSION
DEPARTMENT OF NATURAL RESOURCES AND COMMUNITY DEVELOPMENT
APPLICATION FOR PERMIT TO CONSTRUCT MONITOR/RECOVERY WELL(S)

To: NORTH CAROLINA ENVIRONMENTAL MANAGEMENT COMMISSION March 7, 1990

Gentlemen:

In accordance with the provisions of Article 7, Chapter 87, General Statutes of North Carolina, and regulations pursuant thereto, application is hereby made by Hawksnest Sports for a permit to construct a

(name of well owner)
monitor/recovery well(s) as described below and in the accompanying data submitted as a part of this application.

- (a) Name of property owner: Hawksnest Sports
- (b) Location of property: Off Dunleith Avenue, Winston-Salem, Forsyth
(Road, Industry, Community, etc.) Town County
- (c) Type of facility or site being monitored: Old industrial site
- (d) Types of contamination being monitored or recovered: library scan to determine if pollutants are present
- (e) Existing monitor well numbers: none
- (f) Existing monitor wells showing contamination (well no.):
- (g) Estimated water-table depth: 25 feet
- (h) Estimated date of construction: Begin 3/12/90 Complete 3/15/90
- (i) Drilling constructor: Engineering Tectonics, P.A.
- (j) Location of well: Provide a detailed map showing the location of the proposed well(s), and of any wells in an existing monitoring system (if applicable), in relation to the pollution source(s) being monitored and to at least two (2) nearby permanent reference points such as roads, intersections, and streams. Identify roads with State Highway road identification numbers. (Show all existing water supply wells within a radius of 1,000 feet of the proposed well.)
- (k) Well construction diagram: Provide a diagram showing proposed construction specifications, including diameter, estimated depth, screens, sand pack, grout, type of materials, etc.

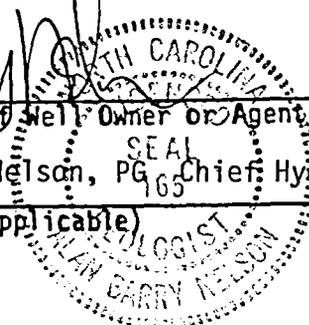
The Applicant hereby agrees the proposed well will be constructed in accordance with approved specifications and conditions of the Well Construction Permit. As regulated under the Well Construction Standards (Title 15 - North Carolina Administrative Code, Subchapter 2C)

(Mailing Address of Well Owner-Required)
P.O. Box 11846 Winston-Salem, NC 27106

(Mailing Address of Agent-if other than above)

A. Barry Nelson
Signature of Well Owner or Agent
A. Barry Nelson, PG 165 Chief Hydrologist

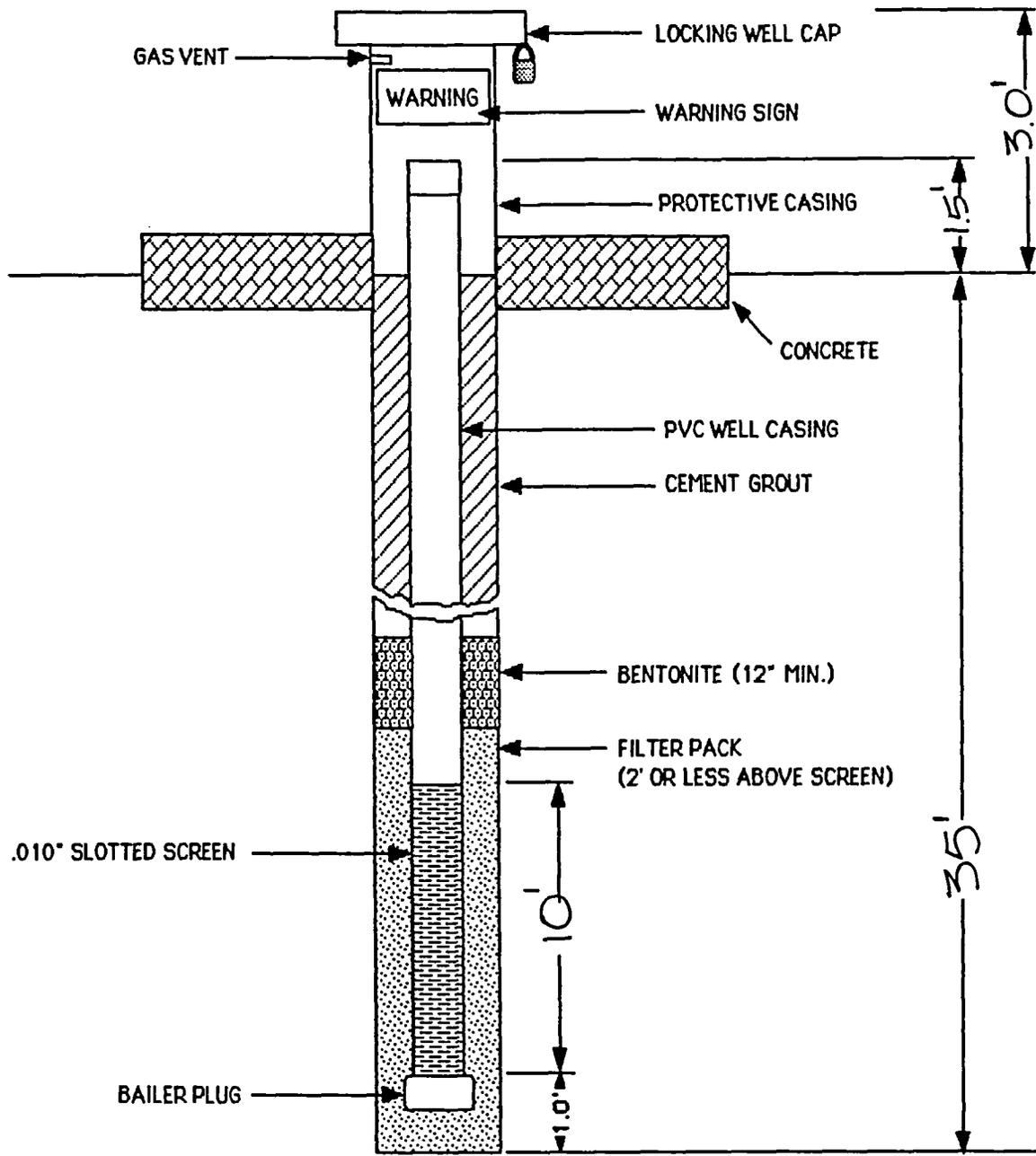
Title (if applicable)



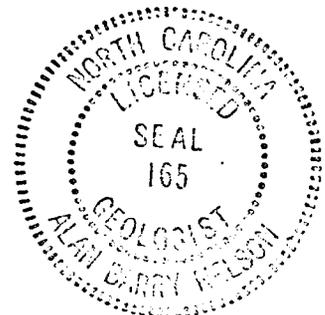
FOR OFFICE USE ONLY

PERMIT NO. issued 19

33-0375-WM-0113



DETAIL OF MONITORING WELL



MEMO

DATE: 5/1/90

TO: FJL

SUBJECT: _____

BARRY NELSON

Eng. Tectonics

I40 x 311 Interchange - Piedmont Publishing
~~1ST client~~
1ST client

1977 Engineering study showed poor substrate
inhomogeneous fill (geotechnical consideration)

Additional Geotechnical study - involved GW
monitoring wells - high levels TOX
TOC

City & Hawks Nest Sports owned two adj.

tracts of land. City wanted to buy other,
got Piedmont Publ. report (from Eng. ~~Fisher~~)

L. A. Reynolds Asphalt Plant next door (former)

Several months ago, 3 good wells, better analysis
TOX = halogenated



North Carolina Department of Environment,
Health, and Natural Resources

Reynolds brought in fill

so did others

Owner of Reynolds owns Hawk's
Nest.

5/10/90

1

ROW Matamoros City of WINSTON-SALEM

HAWKS NEST PROPERTY : CITY INDUSTRIAL PARK
behind W-5 St Univ. its east
supposed to be office park

Opened for bids - Webb Companies
(had built 1 Triad Center) to bid -
City designated several sites on the property
for initial building. Money concerns led to
City assigning contract to buy Mr Reynolds
(Hawks' Nest) property. No Environ. Study
had been done - None done by Webb either -
last extension came up. Reynolds wants it purchased
Webb and/or City doesn't want, for financial
reasons, to buy. really can't

Tried flipping to Piedmont Publishing ~~Co.~~

The geo-engineering study done by ~~Piedmont Pub.~~
Engineering Tectonics - hinted at old asphalt
plant soil contam. Second Study hinted
at worse environmental problems - G.W.

City has negotiated lower price but wants
feel for liability / or response

(They will buy and then sue Webb for damages)

Making a pitch for continued monitoring as
extent of risk. Alternative is not buy. Fight
~~Reynolds~~ Reynolds in Court.

AR

My Response

Sources :

Soil - ① Asphalt plant
② fill material

G Water ① Upgradient City ~~Water~~ Property

Surface water discharge

① Roads drain pipe
② W.S. St. Univ.

OPTIONS

① NOV_s to Reynolds and City
full Site Assessment
Remediation Plans
SOC for clean-up

② Site Specific source elimination

③ Appeal water Classification

Actions to be Recommended

① Immediate effort to fix run-off problem
both City and W-S St Univ.

② at least 2 more monitoring wells
voluntary

Look for at least biweekly updates
and real progress in one month

MEMO.

DATE: 5/14

TO: Hawks Nest file

SUBJECT: W S St Univ.

Mr. Willie Crissum

of W-S St Univ - He got call from Univ. System H. Q. in Chapel Hill about Contamination - no background.

We discussed. Primarily a discharge problem - put in oil & grease separator

He will ① Call Barry Nelson of Eng. Tectonics for details

② Get with Physical Plant people for description of process
Boiler Blow-down



North Carolina Department of Natural Resources & Community Development

HOUSE & BLANCO, P.A.

ATTORNEYS AT LAW

STRATFORD EXECUTIVE PARK
215 EXECUTIVE PARK BOULEVARD
WINSTON-SALEM, NORTH CAROLINA 27103-1594

MAILING ADDRESS:
P.O. DRAWER 25008
WINSTON-SALEM, NC 27114-5008

TELEPHONE
(919) 768-1130
TELECOPIER
(919) 765-4830

DON R. HOUSE
DAVID B. BLANCO
NEAL E. TACKABERY
SUSAN L. CHRISTIANSEN
REGINALD F. COMBS
RONALD A. MATAMOROS
JOHN S. HARRISON
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STEVEN C. GARLAND
PETER J. JURAN
BRIAN L. HERNDON
BOWEN C. HOUFF
GEORGE E. HOLLODICK
CYNTHIA J. LOWERY

REFER TO:

June 6, 1990

Mr. Andrew Raring
Environmental Supervisor I
Division of Environmental Management
North Carolina Department of Environment,
Health and Natural Resources
8025 Northpoint Blvd. Suite 100
Winston-Salem, NC 27106

RECEIVED
N.C. Dept. NRCD

JUN 7 1990

Winston-Salem
Regional Office

Re: I-40 Industrial Park

Dear Mr. Raring:

This letter will confirm our recent telephone conversations and meetings, culminating with our meeting of May 21, relating to certain tract of land presently owned by Hawksnest Sports Inc. ("Hawksnest") located off Dunleith Avenue in Winston-Salem, NC (the "Site").

This firm represents the City of Winston-Salem (the "City") which has now completed negotiations with Hawksnest to acquire the property in question in settlement of certain outstanding claims and disputes.

Our discussions with regard to the groundwater and surface water conditions of the Site resulted from a report dated April 22, 1990 prepared by Engineering Tectonics. That report described the analytical results of certain groundwater monitoring wells installed by that company.

As a result of that report your office has requested that certain remedial work be undertaken.

As I understand your concerns, you have identified the condition of the groundwater and the surface water as being such that some attempted mitigation and future monitoring would be necessary. You have further requested that additional analysis be undertaken so as to confirm your initial assessment.

Mr. Andrew Raring
Page Two
June 6, 1990

We further understand if this subsequent analysis is consistent with your preliminary estimates, and you have been shown that substantial efforts have commenced with regard to certain surface water conditions, your office will defer any future enforcement, including the issuance of Notice Of Violation. We confirm our understanding that such deferral is to be available only to the extent that future monitoring of both the surface and groundwater conditions confirm levels of contamination materially no greater than those reflected in the April 22nd report and the subsequent additional analysis.

Specifically, we understand your request to be as follows:

1. Implementation of additional testing, including the installation of two additional groundwater monitoring wells in order to confirm your preliminary analysis of the situation. Enclosed please find a letter from Engineering Tectonics outlining their proposal which will be converted to a formal engagement letter and, subject to the approval of the Board of Aldermen, be approved by the City. Subject to that approval, we anticipate that the work would commence on or about June 19. We will request that Engineering Tectonics coordinate closely with your office with regard to the proposed activities and the results.

2. Coordination and cooperation by the City and Winston-Salem State University relating to certain surface water contamination. As a result of our meeting of May 21, we understand representatives of both the City and Winston-Salem State will be proposing remediation efforts to address the sources of their alleged contamination. Specifically, the City is reviewing and investigating the storm drainage system crossing the property to determine its integrity. Winston-Salem State is reviewing its boiler "blowout" procedure to determine whether or not the blowout liquid can be directly placed into the sanitary sewer system. Additionally, we understand that they will be investigating the integrity of the above ground field tanks.

As mentioned above, the City subject to final Board approval, will be acquiring the property in question. This purchase is, being undertaken, partially, upon the results of our recent meetings and your preliminary assessment and proposals. It is obviously important to the City to be assured that this process continue at a level acceptable to you and your agency. Therefore, we would request that you notify us at any time that the assumptions and statements of this letter become inaccurate. This would include, obviously, your analysis of the results of the secondary testing to be performed by Engineering Tectonics along with the activities of the City and Winston-Salem State relating to surface

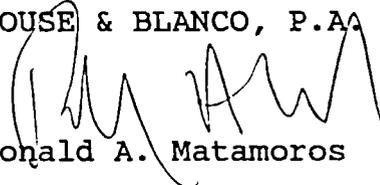
Mr. Andrew Raring
Page Three
June 6, 1990

water conditions. We further assume that you will coordinate with your surface water section in order to confirm their agreement to proceed as described above.

We greatly appreciate you and your division of operation and understanding in this matter and look forward to working with you in the future.

Sincerely,

HOUSE & BLANCO, P.A.



Ronald A. Matamoros

RAM/jh
cc: Ronald G. Seeber, Esq.

RECEIVED
N.C. Dept. NRCO

JUN 18 1990

Winston-Salem Regional Office
TELEPHONE 668-1130
TELECOPIER
(919) 765-4830

HOUSE & BLANCO, P.A.

ATTORNEYS AT LAW

STRATFORD EXECUTIVE PARK
215 EXECUTIVE PARK BOULEVARD
WINSTON-SALEM, NORTH CAROLINA 27103-1594

MAILING ADDRESS:
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WINSTON-SALEM, NC 27114-5008

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CYNTHIA J. LOWERY

REFER TO:

June 14, 1990

Mr. Andrew Raring
Environmental Supervisor I
Division of Environmental Management
N. C. Department of Environment, Health
and Natural Resources
8025 Northpoint Blvd., Ste. 100
Winston-Salem, NC 27106

Re: Hawksnest Sports, Inc. v. City of
Winston-Salem v. Dudley Webb and
Companies, Inc., etc.; 89 CVS 3102

Dear Mr. Raring:

I am writing to advise that the above-referenced matter appears on the June 25, 1990 trial calendar in Forsyth County Superior Court. Given its position on the calendar, it is difficult to say whether the case will be reached for trial that week. In my judgment, it probably will not. Nevertheless, we must prepare for trial on the assumption that it will be reached. There is a possibility that we may need to call upon you to testify concerning the position you and your department have taken regarding the proposed I-40 Industrial Park site located near Dunleith Avenue in the City of Winston-Salem. I will therefore be issuing a Subpoena for your attendance at trial in the event your testimony is needed. In the unlikely event that we have to call you to testify, I will give you as much advance notice as possible by telephone so that your appearance can be coordinated and your time in court kept to a minimum.

was out of town - did not get Subpoena

Mr. Andrew Raring
Page Two
June 14, 1990

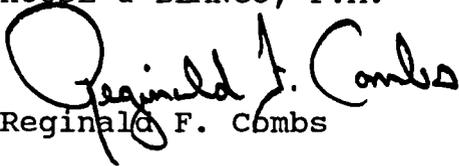
You will note when the Subpoena is served that you are requested to bring with you any documents contained in your department's file on this matter.

If any of the foregoing presents a problem, or if you have any questions or comments about it, please feel free to give me a call.

Best wishes.

Very truly yours,

HOUSE & BLANCO, P.A.


Reginald F. Combs

RFC/jwl

cc: Ron Seeber, Esq.



RECEIVED
N.C. Dept. NRCD

JUN 28 1990

Winston-Salem
Regional Office

OFFICE OF
THE CITY ATTORNEY

City of Winston-Salem

Telephone (919) 727-2056
Telecopier (919) 727-2880

June 27, 1990

Mr. Andrew Raring
Environmental Supervisor I
N.C. Department of Environment,
Health and Natural Resources
8025 North Point Boulevard, Suite 106
Winston-Salem, North Carolina 27106

Re: I-40 Industrial Park (formerly Hawksnest Sports, Inc.,
property)

Dear Mr. Raring:

On Monday evening, June 25, 1990, the Winston-Salem Board of Aldermen approved settlement of the Hawksnest Sports, Inc., lawsuit, agreeing to purchase of the 19+ acres of property located in the I-40 Industrial Park. We expect to close on that property and take title by Friday, June 29.

The City has also obtained a service agreement proposal from Engineering Tectonics, P.A., for the testing you have requested on the subject property. (Copy enclosed for your information) That service agreement has been executed by the City Manager and mailed to Engineering Tectonics, P.A. I have also called the contractor to let it know the service agreement is in the mail, and have requested that the work begin immediately. As you can see, the City intends and has taken steps to be environmentally responsible, consistent with the understanding negotiated between Mr. Matamoros and your office.

Please give me a call if you have any questions.

Yours truly,

Ronald G. Seeber,
City Attorney

RGS/pd

Enclosure



City of Winston-Salem

OFFICE OF
THE CITY ATTORNEY

Telephone (919) 727-2056
Telecopier (919) 727-2880

June 27, 1990

Mr. A. Barry Nelson, P.G., Vice President
Engineering Tectonics, P.A.
Post Office Box 11846
Winston-Salem, N.C. 27116

Dear Mr. Nelson:

Attached please find an original copy of your proposed service agreement, executed by City Manager Bill Stuart. Your letter of June 6, 1990, the proposed acceptance sheet and your letter of quotation of May 17, 1990, taken together, make up our service agreement, including the scope of service and \$10,680.00 fee. Please accept this letter as the City's direction to commence work immediately.

Yours truly,

Ronald G. Seeber,
City Attorney

RGS/pd

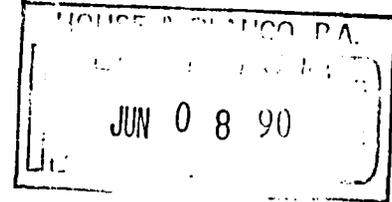
Enclosure



ENGINEERING TECTONICS, P.A.
ENGINEERS • GEOLOGISTS • HYDROLOGISTS

P.O. Box 11846, Winston-Salem, NC 27116 (919) 767-8807

June 6, 1990



City of Winston-Salem
c/o Ron Matamoros
House & Blanco, P.A.
P.O. Drawer 25008
Winston-Salem, NC 27114

Subject: Installation and Testing of Groundwater Monitoring
Wells I-40 Industrial Park

Gentlemen:

This letter and attached proposal acceptance sheet will serve as a service agreement for the above referenced project. Our scope of services and fees were provided in our quotation to Mr. Walter Pitt dated May 17, 1990.

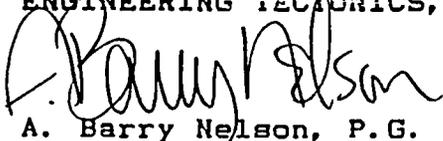
We understand that the work is to commence after June 19, 1990.

Please sign the attached proposal acceptance sheet and return one copy to us.

Should you have any questions, please contact us.

Very truly yours,

ENGINEERING TECTONICS, P.A.


A. Barry Nelson, P.G.
Chief Hydrologist
Vice President

ABN/jg

attachment

Approved as to form and legality

This 26 day of June 1990

By Tomell B. Dubler Attorney

ENGINEERING TECTONICS, P.A.

PROPOSAL ACCEPTANCE SHEET

Description of Services Installation & Testing of Groundwater Monitoring Wells
Project Name I-40 Industrial Park
Project Location Winston-Salem, North Carolina
Date and Proposal No. May 17, 1990
Office Designation EES

FOR PAYMENT OF CHARGES:

Charge Invoice to the Account of:

Firm: City of Winston-Salem
Address: City Hall
City: Winston-Salem State NC Zip 27102
Attention: City Attorney's Office

PROPOSAL ACCEPTED BY: *Bessie C. Stewart* 6/27/90
Signature & Title Date

PAYMENT TERMS: Net 30 days from invoice date

PROPERTY OWNER IDENTIFICATION (If Other Than Above):

Name: _____
Address: _____
Zip Code _____
Attention: _____

FOR APPROVAL OF CHARGES:

Send Invoice To:
Firm: Same as above.
Address: _____
Zip Code _____
Attention: _____

If the invoice is to be mailed to someone other than account charged, please indicate in the appropriate space above.

Invoices for completed work will be issued every four weeks for continuous or extended projects unless otherwise agreed.

SPECIAL INSTRUCTIONS: Please do not commence until notified by
the City Attorney's office or by House & Blanco P.A.



ENGINEERING TECTONICS, P.A.
 ENGINEERS • GEOLOGISTS • HYDROLOGISTS

P.O. Box 11846, Winston-Salem, NC 27116 (919) 767-8807

May 21, 1990

City of Winston-Salem
 c/o Hawksnest Sports
 P.O. Box 489
 Lewisville, NC 27023

Attention: Mr. John Reynolds

Subject: Costs for completion of
 Groundwater Investigation
 Hawksnest Property
 I-40 Industrial Park
 Winston-Salem, NC

Dear John:

As discussed with Mr. Andrew Raring of NC DEM and attorneys for the City of Winston-Salem during our meeting on Monday May 21, 1990, these are the projected costs for the additional groundwater investigations at the site:

Install 2 groundwater monitoring wells	\$1200/ea	X 2	\$2400.00
Collect groundwater samples	\$35/hr	X 8 hrs	280.00
Analytical GC Library Scan	\$2000/ea	X 1	2000.00
Additional testing of 3 existing wells (for unknowns)	\$1000/ea	X 3	3000.00
Testing of 2 new wells	\$1500/ea	X 2	3000.00

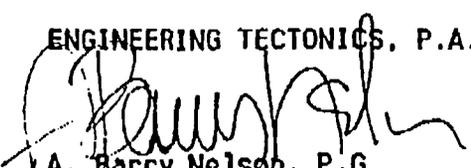
Total \$10,680.00

Please forward this information to Mr. Walter Pitt, your attorney, so he can give it to the City.

If you have any questions, please call.

Very Truly Yours:

ENGINEERING TECTONICS, P.A.


 A. Barry Nelson, P.G.
 Chief Hydrogeologist

ABN/jmb

RECEIVED
N.C. Dept. NRCD

AUG 10 1990

Winston-Salem Regional Office
PHONE (919) 768-1130
FAX COPIER (919) 765-4830

HOUSE & BLANCO, P.A.
ATTORNEYS AT LAW
STRATFORD EXECUTIVE PARK
215 EXECUTIVE PARK BOULEVARD
WINSTON-SALEM, NORTH CAROLINA 27103-1594

MAILING ADDRESS:
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WINSTON-SALEM, NC 27114-5008

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BRIAN L. HERNDON
BOWEN C. HOUFF
GEORGE E. HOLLODICK
CYNTHIA J. LOWERY
RONALD S. GAYNOR

REFER TO:

August 9, 1990

Mr. Andrew Raring
Environmental Supervisor I
Division of Environmental Management
North Carolina Department of Environment,
Health and Natural Resources
8025 Northpoint Boulevard, Suite 100
Winston-Salem, NC 27106

Re: Hawksnest Sports, Inc. v. City of
Winston-Salem v. Dudley Webb and
Companies, Inc., etc.; 89 CVS 3102

Dear Mr. Raring:

The above-referenced matter appears on the August 27, 1990 trial calendar in Forsyth County Superior Court. It is the seventh case set for trial that week, with six others peremptorily set ahead of it. I am thus unable to say with complete confidence whether the case will be reached that week or not.

As I mentioned to you in my letter of June 14, 1990, there is a possibility that we will need to call upon you to testify concerning your department's position on the proposed I-40 Industrial Park site located near Dunleith Avenue in the City of Winston-Salem. I will be issuing a subpoena for your attendance at trial in the event your testimony is needed. Please be assured that I will give you as much advance notice as possible by telephone in order that we may coordinate your appearance and minimize your time in court.

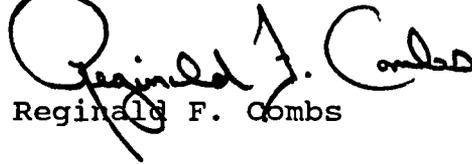
Please note when you receive the subpoena that you are requested to bring with you any documents contained in your department's file on this matter.

Mr. Andrew Raring
Page Two
August 9, 1990

If any of the foregoing presents a problem, or if you have any questions or comments about it, please feel free to give me a call. Best wishes.

Very truly yours,

HOUSE & BLANCO, P.A.


Reginald F. Combs

RFC/jl

cc: Ronald G. Seeber, Esq.

STATE OF NORTH CAROLINA

File No. 89 CVS 3102

FORSYTH County

In The General Court Of Justice

District Superior Court Division

HAWKSNEST SPORTS, INC.
CITY OF WINSTON-SALEM v.

SUBPOENA

VERSUS

TO APPEAR IN PERSON

DUDLEY WEBB AND COMPANIES, INC.,
a North Carolina Corporation

TO PRODUCE DOCUMENT

G.S. 1A-1, Rule 45

Party Requesting Subpoena:

State/Plaintiff Defendant Other (specify)

T
O

Name Of Person Subpoenaed
Mr. Andrew Raring, Environmental

Name Of Second Person Subpoenaed
Supervisor I
Division of Environmental Management

Name Of Third Person Subpoenaed
N. C. Dept. of
Environment, Health & Natural Resources

Address
8025 Northpoint Blvd., Ste. 100

City, State, Zip
Winston-Salem, NC 27106

Telephone 919/
761-2351

(Note: A single subpoena may be used for as many as three persons if all have the same address. If documents are subpoenaed, only one person may be named.)

Alternate Address

City, State, Zip

Telephone

YOU ARE COMMANDED TO:

(check all that apply)

Appear and testify, in the above entitled action, before the court at the place, date and time indicated below.

Produce for the court the following items, at the place, date and time indicated below.

Any and all documents contained in the file of the North Carolina Department of Environment, Health & Natural Resources, concerning the proposed I-40 Industrial Park site located near Dunleith Avenue, Winston-Salem, North Carolina, being the same property referred to in the report of Engineering Tectonics, P.A. dated April 22, 1990.

Name And Location Of Court
Forsyth County Superior Court
Hall of Justice
Winston-Salem, NC 27101

Date To Appear/Produce
August 27, 1990

Time To Appear/Produce
10:00 * AM PM

Name And Address Of Applicant's Attorney
Reginald F. Combs, Esq.
HOUSE & BLANCO, P.A.
Post Office Drawer 25008

Date
August 9, 1990

Signature
Reginald F. Combs

Telephone No. Winston-Salem, NC 27114-5008
919/768-1130

Deputy CSC Assistant CSC Clerk Of Superior Court
 Magistrate Attorney Party

* YOU NEED NOT COME TO COURT UNTIL YOU ARE CALLED BY MR. COMBS.

RETURN OF SERVICE

I certify that this subpoena was received and served as follows:

Date Received

For First Person Named On Front:

- by delivering a copy of the subpoena to the first person named on the front
- this subpoena WAS NOT served for the following reasons:

- by telephone communication with the first person named on the front (use only with subpoena to appear in person)
- by registered or certified mail return receipt requested on the first party named on the front

Service Fee
\$

Paid
 Due

Date Served

Signature Of Sheriff Or Other Officer

For The Second Person Named on Front:

- by delivering a copy of the subpoena to the second person named on the front
- this subpoena WAS NOT served for the following reasons:

- by telephone communication with the second person named on the front (use only with subpoena to appear in person)
- by registered or certified mail return receipt requested on the second party named on the front

Service Fee
\$

Paid
 Due

Date Served

Signature Of Sheriff Or Other Officer

For The Third Person Named On Front:

- by delivering a copy of the subpoena to the third person named on the front
- this subpoena WAS NOT served for the following reasons:

- by telephone communication with the third person named on the front (use only with subpoena to appear in person)
- by registered or certified mail return receipt requested on the third party named on the front

Service Fee
\$

Paid
 Due

Date Served

Signature Of Sheriff Or Other Officer

INFORMATION FOR WITNESS

The Subpoena

The subpoena is a court order requiring you to appear in court on the day and at the time stated. You have been called (subpoenaed) to court to be a witness in a case.

Duties Of A Witness

- You must attend court on the day and at the time stated in the subpoena.
- Unless otherwise directed by the presiding judge, you must answer all questions asked when you are on the stand giving testimony.
- Your answers to questions must be truthful.

If you have any questions about being subpoenaed as a witness, you should contact the attorney or official who had the subpoena issued. The name of that person is on the other side of this subpoena form.

Understand The Question And Speak Out

When you are on the witness stand, listen carefully to any question, and make sure that you understand the question before you try to answer it. If necessary, ask that the question be repeated.

In answering questions, speak out clearly and loudly enough to be heard. If you are testifying before a jury, speak out so that all of the jurors can hear you.

Bribing Or Threatening A Witness

It is a violation of state law for anyone to attempt to bribe, threaten, harass, or intimidate a witness. If anyone attempts to do any of these things concerning your involvement as a witness in a case, you should promptly report that to the district attorney or the presiding judge.

Witness Fee

A witness is entitled to a small daily fee, and to travel expense reimbursement if it is necessary to travel from outside the county in order to testify. (The fee for an "expert witness" will be set by the presiding judge.) After you have been discharged as a witness, if you desire to collect the statutory fee, you should immediately contact the clerk's office and certify to your attendance as a witness so that you will be paid any amount due you.

HOUSE & BLANCO, P.A.

ATTORNEYS AT LAW

STRATFORD EXECUTIVE PARK
215 EXECUTIVE PARK BOULEVARD
WINSTON-SALEM, NORTH CAROLINA 27103-1594

TELEPHONE
(919) 768-1130
TELECOPIER
(919) 765-4830

DON R. HOUSE
DAVID B. BLANCO
NEAL E. TACKABERY
SUSAN L. CHRISTIANSEN
REGINALD F. COMBS
RONALD A. MATAMOROS
JOHN S. HARRISON
GENE B. TARR
MICHAEL D. HURST
STEVEN C. GARLAND
PETER J. JURAN
BRIAN L. HERNDON
BOWEN C. HOUFF
GEORGE E. HOLLODICK
CYNTHIA J. LOWERY
RONALD S. GAYNOR

MAILING ADDRESS:
P.O. DRAWER 25008
WINSTON-SALEM, NC 27114-5008

REFER TO:

September 21, 1990

HAND DELIVERED

RECEIVED
N.C. Dept. NRCO

SEP 25 1990

Winston-Salem
Regional Office

Mr. Andrew Raring
Environmental Supervisor I
Division of Environmental Management
North Carolina Department of Environment,
Health and Natural Resources
8025 North Point Boulevard, Suite 100
Winston-Salem, North Carolina 27106

RE: I-40 Industrial Park - City of Winston-Salem

Dear Andrew,

Enclosed please find a copy of a report prepared by Engineering Tectonics relating to supplemental investigations requested by you and your office as to the property owned by the City of Winston-Salem located off Dunleith Avenue and I-40.

This report was prepared in a manner consistent with your request and in accordance with my letter to you of June 6th.

As mentioned in that letter, the City of Winston-Salem has now acquired title to the property. The City is anticipating actively marketing the sale of the property. In order to proceed with such a disposition I believe it is important to get a "final determination" from your office as to the status of the ground water and surface water issues which have been discussed over the last months.

Our review of the supplemental report indicates that it supports your original position that the unknown compound described in the original report were, more than likely, innocuous compounds which would not affect your preliminary analysis as to the public health concerns associated with the groundwater condition. The report further seems to indicate that the old storm drainage system may have had a substantial effect in creating this groundwater condition.

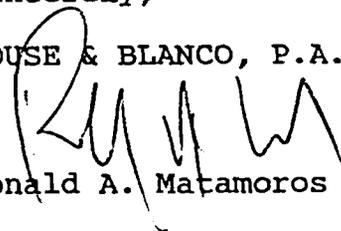
Once you have had an opportunity to review this report I would very much like to discuss this matter further with you to determine an updated status of this property and it's environmental conditions, in order to discuss the situation meaningfully with any prospective purchaser.

If it is acceptable to you, I would propose to call you the first of next week to discuss this matter. Of course, if you would like to have an additional meeting, on site or elsewhere, with representatives of the City please let me know and I will be happy to arrange it.

Upon your review of the enclosed any questions or problems please do hesitate to contact me.

Sincerely,

HOUSE & BLANCO, P.A.



Ronald A. Matamoros

RAM/sml

Enclosure

cc: Ronald G. Seeber, Esq.

c:ar.ltr/sml

MEMO

TO: File (CSW)

DATE: 9/25/90

SUBJECT: W-S Indust. Park
(Hawthornest)

Site is fully characterized
major GW contam. throughout
unknown compounds in tens of ppb.
Full library search would be in order
as would off site wells, perhaps 2,
to establish pervasiveness of contaminants
in environs, as opposed to localized.
(point source) contamination event.

Responsible party will be all but impossible
to ~~test~~ determine. Best to have them
seek ~~R5~~ R5 designation with passive remediation
and periodic sampling. (see ZL ~~attached~~)

From: AR

City has repaired storm sewers and W-S St. Univ. here
audited and improved their operations (per Ron Matamoros 10/4/90)

North Carolina Department of Environment,
Health, and Natural Resources



Printed on Recycled Paper



STATE OF NORTH CAROLINA
DEPARTMENT OF TRANSPORTATION
P.O. BOX 25201
RALEIGH 27611-5201

JAMES G. MARTIN
GOVERNOR

October 15, 1990

DIVISION OF HIGHWAYS

THOMAS J. HARRELSON
SECRETARY

WILLIAM G. MARLEY, JR., P.E.
STATE HIGHWAY ADMINISTRATOR

Mr. Kirk Rife
Trigon Engineering
P. O. Box 18846
Greensboro, N. C. 27419-8846

Dear Mr. Rife:

Enclosed please find copies of the field notes and lab results of our survey of the old Larco site in Forsyth County. As you can see, none of our solvents were found at the approximate location of the lab site.

If you need more information, you might give Mr. Rick Alexander a call at 667-9111.

I hope we have been of some assistance to you.

Sincerely,

A handwritten signature in cursive script that reads "Thomas W. Werner".

Thomas W. Werner, CSP, P.E., REP
Safety Development Coordinator
Occ. Safety & Emer. Planning

TWW/mw

Enclosures

ASPHALT PLANT SAMPLING FORM

Date 4/27/89 Person Sampling R.E. Alexander
LARCO old site
 Current Owner Jon Reynolds Sample Type (Soil/Water) soil

CSEP Code # (CN- N-SN) Cnty/plnt/sample 62-06-01

Location of Plant Abandoned Asphalt plant site near Winston-Salem State University

General Slope of Land (from sample point) 3°-5° falling to the East

Soil Type (Loamy, Granular, Rocky, Clay, Sandy, Other) granular & rocky

Approximate Time & Durations of DOT site use 15 yrs. plant was moved 2 years ago.

Previous or Simultaneous Use of site by other than DOT parties? (Y/N) yes independent labs & City of Winston-Salem

In the event that multiple screening samples are conducted with a VFA or similar instrument, list the sample numbers and results here.

Sample #	Reading	Sample #	Reading	Sample #	Reading
<u>1</u>	<u>NONE</u>	<u>7</u>	<u>1'45" & 2'50"</u>		
<u>2</u>	<u>NONE</u>	<u>8</u>	<u>NONE</u>		
<u>3</u>	<u>ON GC 1'45"</u>	<u>9</u>	<u>NONE</u>		
<u>4</u>	<u>NONE</u>				
<u>5</u>	<u>NONE ON GC</u>				
<u>6</u>	<u>NONE</u>				

Comments: Property is currently for sale. All buildings have been removed and grading has been completed to clean up debris. Sample readings were taken in vicinity of old asphalt lab as best that could be located by experienced inspectors that worked at the lab for several years. The City of Winston-Salem has also performed soil & water test on the property.

Lab Analysis: None detected Hawkswest Sports, Inc.
P.O. Box 489
Lewisville, NC. 27023

Note: A copy of any lab analysis should be attached to this form.

C E R T I F I C A T E O F A N A L Y S I S

CORRESPOND TO

SAMPLE

EMS Laboratories, Inc
4132 Pompano Street
Charlotte, N. Carolina 28216
(704) 393-1853

N.C. Waste Lab Cert. No. 98
N.C. Water Lab Cert. No. 37727
S.C. Lab Cert. No. 99011
U.S. EPA id 00118

EMS SAMPLE : B14929
REPORT DATE : 05/15/89
DATE RECEIVED : 04/28/89
DATE COMPLETE : 05/12/89

REPORT TO

BILL TO

RICK E. ALEXANDER
STATE OF NORTH CAROLINA
DEPT. OF TRANSPORTATION
P.O. BOX 250
N. WILKESBORO NC 28659

G.R. FLEMING
STATE OF NORTH CAROLINA
DEPT. OF TRANSPORTATION
P.O. BOX 25201
RALIEGH NC 27611-5201

DESCRIPTION

SAMPLE 62-06-01
LARCO
P.O. NUMBER : 512634

DATE : 04/27/89
TIME : 12:15:00

TEST DESCRIPTION ANALYTE	RESULT	METHOD	DATE DET. LIMIT	ANALYST UNITS
VOLATILE ORGANICS, RCRA		SW846-8240	05/10/89	JEW
GC/MS File	CV3227		NA	NA
Date/Time of Analysis.....	05/10/89			
Continuing Calibration File ..	CV3224.C			
Method Blank File	CV2335.B			
MS/MSD File				
SURROGATE LIST (spike conc) :	uG/KG			
Dichloroethane-d4.....	91		(50)	% Rec
Toluene-d8.....	95		(50)	% Rec
Bromofluorobenzene.....	94		(50)	% Rec
TARGET COMPOUND LIST.....				
Carbon tetrachloride.....	ND		25.	uG/KG
1,1,1-Trichloroethane.....	ND		25.	uG/KG
Trichloroethene.....	ND		25.	uG/KG
() = Estimated Concentration . :				

ND - Not Detected

NA - Not Applicable

BDL - Below Detection Limit

Sample was accompanied by chain of custody papers

Approved by : Nichole E. Sobana

meeting w/ RONALD
MATAMOROS - HOUSE + BLANCO (1)
COUNSEL F/ CITY OF WUSTON - SALEM

SAMPLES WEN OF NOV. 3. 9:00 10/23/90.

CNM - DUMPSTER BOXES.

CANONIA
INVESTMENT ROBIN TEAM - LEXINGTON. DEVELOPER
PROP

CITY WILL SELL 1/2 PRICE TO DEVELOPER
TAX 6% NOTE

CNM LOCKS IN NEXT BASED ON COST
(APPROX 25% BELOW MARKET).

82 CITY BOUGHT.

86 DEAL W/ WEBB.

(FOR SITE)

88. ENGINEERING TECTONIC.
SANS IS FILL + TAINTED.

~~NOU AT THIS POINT.~~

LA HER WOULD LIQUIDATED
HAWAINEST WORTHIER.

SUES CITY

CITY SUES WEBB.

EVERYBODY SANS TEST GW.

April 1990.

① Abd'l testwgs.
Abd'l wells.

See IF WS STATE LOOK AT PLANT.

- OPERATE BOLLEN SYSTEM
- SECONDARY
- FUEL-OIL GENERATOR.
- OVER 600 TANKS.
- PERIODICALLY FLUSH OUT ONTO S SIDE OF TANKS.

LOOK AT SYSTEM AND BE SURE NOT DUMPING, INTEGRITY GOOD.

②. ANOTHER UPGRADENT SOURCE.
STORM DRAIN. 48"
W-S STATE. ?
TRAIN STATION ?

PUT MW-5 UPGRADENT F/ THIS PURPOSE.

DRAIN IN GOOD SHAPE FR ENGLANDS CITY OF W-S.

ET SAYS - IS ON SITE POLIS.

③ EXPAND LIBRARY SEARCH F/ UNKNOWN

W-5 Bonus Land.

SO WE'RE GOING TO TAKE OUR TIME TO DO STUFF. (Sept. 18).

BUT PROSPECTIVE BUYER COMES UP. (Sept. 22).

SUPPLEMENTAL REPORT.

TRIGON COMES IN - WANTS TO DO MORE. (DICK).

BUT AGREES THAT ET'S TESTING IS GOOD ENOUGH.

ANALYZE DATA THAT'S AVAILABLE THERE.

TRIGON. ET - 15-19 Well

BY 11/13

① retest MW-2, MW-3, MW-5, LOOK FOR ASPHALT BENEATHIES METHOD 625. ONLY.

② WILL HAVE TO REMOVE UNCOMPACTABLE FILL FOR FOUNDATION

Normally we would negotiate
More. - non structure. SoC
with Buyer-seller is satisfied.

- ① HAS A Buyer who knows & CONTAMINATED
- ② w/ very sophisticated construction buyer will have
- ③ 2 levels | construction WACITENCA
JPilot | Permanent.

LONG-TERM-PAY OFF
Construction level

So have to sell 2 levels.

- ④ Both levels have good environment
~~level~~. lawyer.

SO:
will have

Series of reports FH ET (2)
THURON. (1)

① KNOW EVERYTHING ABOUT

② WILL QUALIFY FOR INNOCENT BUYER.
CEUCLA. (Any other)

IF Buy.

CONTAMINATION.

|

CENCLA ESTABLISHED
DEFENSE.

(5)

Buy.

- ① DON'T DO PHASE 1 TBNA
- ② FIND PLUME
- ③ Buyer responsible

EPA IS EXPANDING PROGRAM TO
LENDERS.

IF NOT ACTUALLY INVOLVED IN
SUPERVISING OPERATION
(LENDER).

"ONLY WHEN LENDER IS
ACTUALLY INVOLVED IN
BUSINESS OPERATION"

IF DO GO BANKRUPT OR MUCH WRT.
LENDER CAN FORECLOSE, BUT
IS NOT RESPONSIBLE (FLEET).

- COURTS, CONGRESS. SAWS BE REASONABLE

④ SITE WILL BE OK.

⑤ OK, BUT LENDERS SAY, "WHAT
WILL STATE SAY.

CITY OF W-S WOULD LIKE LENDER SAYING
"WHILE LEVELS ABOVE STANDARDS,
NO NOTICE OF YOU WILL

Be issued and no further.
 requirement will be imposed."

- Beyond
- ① EXCAVATION.
 - ② W-S CITY WILL AGREE TO PERIODIC 2 YEAR MONITORING
 - ③ ~~WHAT IF LEVELS GO UP?~~
 - ④ NO PRECEDENT.
 - ⑤ TOXICOLOGICAL REPORT.

AS PLANT PLAN MAY NEVER BE BUILT.

ANYWAY, ARGUMENT OF WHY NO ABSOLUTE

- ① NO PUBLIC HEALTH ISSUES CLEANUP
 - NO USES OF WELLS
 - HISTORIC COMMERCIAL - INDUSTRIAL USE - WELLS TO OVERLAY.
 - 22 STANDARDS.
- ② DO NOT ANTICIPATE NATURE OF GW
 - NO STANDARDS (WICKED)
- ③ NO IDEAS HOW. REMEDIATE COMPANIES CAN NOT ECONOMICALLY BELIEVE TO O.
- ④ ALL THAT ~~GO~~ COULD HAVE BEEN DONE ON SITE INVESTIGATION HAS BEEN.

SLIP INTO SOC

NO NOV BECAUSE

- ① PUBLICITY AVOIDANCE.
- ② ASSIGN BUSINESS ONLY TO
~~LOW~~ DEFUNCT COMPANIES.
- ③ FEELING CAUTION WITHIN
NOT HIGH AND NOT
DANGEROUS.

I SAID .

- ① I WOULD LIKE NEW CHARTER.
(OF MAIN CONSTITUENTS 625)
- ② I WOULD LIKE
A CLEAR SECTION OF PROPOSED
FILL REMOVAL W/ WATER TABLE
& MW'S.

③ TOXICOLOGICAL REPORT ON:

PHENANTHRENE
FLUORANTHRENE
PYRENE.

PRESENT W MW-2.

MATAMOROS WOULD LIKE TO MEET W/
PETEN HASCOE TO MEET ANY OBSTACLES.
I SAID I WILL CALL HASCOE BEFORE
FRIDAY. W/ AGREEMENT. (LESS F/ FORMAL
AGREEMENT / SOC.

MEMO

DATE: 10/24/90

TO: File

SUBJECT: W-S city

Fw/: Peter Wasscoe.

W-S. will have to enter into
AGREEMENT:

① "...enter into AGREEMENT
PURSUANT WITH 143.215.2."
as the RESPONSIBLE PARTY

② ~~IF NOT EN~~
ASIDE FROM THIS
(IN SOME OTHER RESPECT)
MAY BE TREATED AS
PARTY PROPER.

public.

From: CSW



North Carolina Department of Environment,
Health, and Natural Resources



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