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March 11, 2010

Via Email and FedEx

Ms. Teresa Bradford
Environmental Senior Specialist
North Carolina Department of Environment and Natural Resources
Division of Solid Waste Management
Solid Waste Section
Mooresville Regional Office
610 East Center Ave.
Mooresville, NC 28115

**NC DEPT. OF ENVIRONMENT
AND NATURAL RESOURCES
RECEIVED**

MAR 12 2010

**MOORESVILLE REGIONAL OFFICE
DIVISION OF WASTE MANAGEMENT, SWS**

Re: **Notice of Violation – CCB0028
Placement of Coal Combustion Byproducts at Plant 1
Kannapolis, North Carolina**

Dear Ms. Bradford:

I am writing to provide the response of Castle & Cooke North Carolina, LLC ("CCNC") to the January 12, 2010 Notice of Violation ("NOV") that it received from the North Carolina Department of Environment and Natural Resources ("DENR") related to the property commonly known as "Plant 1" in Kannapolis, North Carolina. The NOV addressed the alleged use of coal combustion byproducts ("CCB") in a former Land Clearing and Inert Debris ("LCID") landfill on the Plant 1 property as structural fill pursuant to 12A NCAC 13B .1701 et seq. As you know, CCNC also received an NOV for property known as the "Waste Water Treatment Plant Site" ("WWTP"). We are working with you to resolve that second NOV through the Brownfields Program, and we appreciate both your assistance in this regard and the extension of time to handle the WWTP matter. In the meantime, we are providing you with the information in this package concerning the Plant 1 NOV.

As we have discussed, CCNC did not own the Plant 1 property during the time that it was operated as a manufacturing facility. CCNC purchased the Plant 1 property in 2005 following the Pillowtex Corporation's bankruptcy filing. CCNC has, however, investigated the matter as described below and has concluded that CCB was not placed in the LCID landfill on the Plant 1 property as structural fill. This letter describes the information supporting this conclusion, including the results of a file review and affidavits of individuals who worked at the site prior to CCNC's ownership. The information shows that CCB materials generated from the former operations at Plant 1 and a facility in Spencer, NC, were transported to the WWTP property for beneficial use as structural fill. In this light, we would ask that DENR rescind the NOV for the Plant 1 location. Of course, if there is any other information that you may need to consider this matter and resolve the Plant 1 NOV, we will be happy to provide it.

PPAB 1664288v4

As noted, CCNC's review included a review of available information. First, in response to the NOV, CCNC engaged Hart & Hickman, PC ("H&H") to review records related to the proposed use of CCB at the former Plant 1 property. As part of this investigation, H&H reviewed: (i) records available in the DENR Mooresville Office within the files of the Division of Waste Management and the Division of Water Quality, and (ii) records available from Pillowtex relating to the historic handling of CCB material.

H&H did not identify any records in DENR's or Pillowtex's files that indicated that CCB was placed in the LCID landfill on the Plant 1 property. The only record in DENR's "Plant 1" file regarding the beneficial use of CCB as structural fill was an S&ME September 15, 1999 annual report related to the WWTP property, not the Plant 1 property. An exact duplicate of this report is located in DENR's file for the WWTP property, and the report attaches DENR's January 24, 1996 Letter of Acknowledgement related to the October 1995 CCB notification for the WWTP property.

There was a CCB notification in the file for the Plant 1 property that was submitted to DENR on June 4, 1993, apparently related to the placement of CCB in certain cells of the LCID landfill. Other documentation in DENR's file for that former landfill, however, indicates that the same cells proposed in 1993/1994 for CCB materials were later designated for the disposal of LCID materials. This change of plans was confirmed by Van Rowell, who was the Director of Environmental Engineering at the Plant 1 site until 1997. Mr. Rowell indicated that the cells proposed for receipt of CCB as structured fill were actually filled with LCID materials, and that the CCB materials were sent to the WWTP property for use as structured fill.

Our conclusion is further supported by interviews with former employees of Pillowtex and Fieldcrest Cannon who had knowledge of the handling of CCB material generated at the Plant 1 site from 1986 to July 2003. These individuals include Mr. Rowell and Michael Abba, who was the Vice President of Engineering. As indicated in the affidavits that I have attached as Exhibit A, neither individual is aware of the placement or use of any CCB material on the Plant 1 property as structural fill. All CCB material was collected and instead sent to the WWTP property.

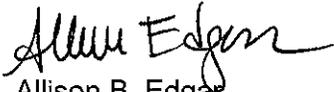
Finally, as part of the redevelopment of the Plant 1 property for the North Carolina Research Campus, the former LCID landfill was removed and power-screened. During that process, soils and fines that passed through the screen were taken to the wastewater WWTP property for beneficial use as structural fill. Brick was crushed and remained at the Plant 1 site. Other inert debris that did not pass through the power-screen was disposed at the Cabarrus County Sanitary Landfill. We are not aware that CCB structural fill was identified during this process.

Based on the attached affidavits, the absence of documentation indicating that CCB material was actually used as structural fill at the Plant 1 site, and the absence of CCB fill material in the former LCID landfill during its excavation, CCNC believes that no CCB materials were used as structural fill in the former LCID landfill on the Plant 1 property. In that light, we do not believe that any further action is required under the CCB regulations and request that the pending NOV be dismissed.

Ms. Teresa Bradford
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Thanks again for your time and attention. If you have any questions or require any additional information, please do not hesitate to contact me at (704) 335-9874.

Best regards,


Allison B. Edgar

Enclosures

cc: Brad Cardwell, Castle & Cooke North Carolina, LLC
Steven C. Hart, Hart & Hickman, PC

EXHIBIT A

AFFIDAVIT OF MICHAEL ABBA

Before me, the undersigned notary public, on this day personally appeared Michael Abba, who first being duly sworn, deposes and says:

1. My name is Michael Abba. I am over 18 years of age, of sound mind, and capable of making this affidavit. I am the Vice President of Engineering at Pillowtex Corporation. I have personal knowledge of the facts stated herein, and such facts are all true and correct to the best of my knowledge.

2. I worked at the site commonly known as "Plant 1" in Kannapolis, North Carolina from 1986 until the plant ceased operations in July 2003. During the period of 1986 until October 1991, I visited the site on a weekly basis; starting in October 1991, I was at the site on a full time basis.

3. During my time at the site, some of the positions I held included: Director of Mechanical Engineering, Director of Textile Engineering, and Vice President of Engineering.

4. I am not aware of any coal combustion byproducts ("CCB") placed on the Plant 1 property as structural fill. It is my understanding that CCB materials generated from the Plant 1 operations were sent to the ash retention ponds at the wastewater treatment plant property on Glenn Avenue, and later beneficially used as structural fill on that property.

Affiant saith further not.



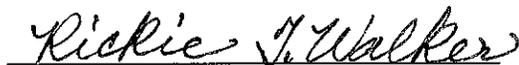
Michael Abba

STATE OF NORTH CAROLINA

COUNTY OF Cabarrus

I, Rickie T. Walker, a Notary Public of Cabarrus County, State of North Carolina, do hereby certify that Michael Abba personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and seal, this 10th day of March, 2010.



Name:
Notary Public

My Commission expires: December 11, 2011

[Stamp/Seal]

AFFIDAVIT OF EVANDER ROWELL

Before me, the undersigned notary public, on this day personally appeared Evander Rowell, who first being duly sworn, deposes and says:

1. My name is Evander ("Van") Rowell. I am over 18 years of age, of sound mind, and capable of making this affidavit. I am the Engineering Director for the Water and Sewer Authority of Cabarrus County. I have personal knowledge of the facts stated herein, and such facts are all true and correct to the best of my knowledge.

2. I worked at the site commonly known as "Plant 1" in Kannapolis, North Carolina from 1986 through November 1997. During the period of 1986 until October 1991, I visited the site on a weekly basis; starting in October 1991, I was at the site on a full time basis.

3. During my time at the site, I worked at various positions in the Corporate Engineering Department, including the Director of Environmental of Engineering.

4. I am not aware of any coal combustion byproducts ("CCB") placed on the Plant 1 property as structural fill. It is my understanding that CCB materials generated from the power/boiler house operations at Plant 1 were collected and sent to the ash retention ponds at the wastewater treatment plant property on Glenn Avenue, and later beneficially used as fill material on that property.

Affiant saith further not.



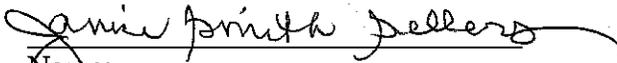
Evander Rowell

STATE OF NORTH CAROLINA

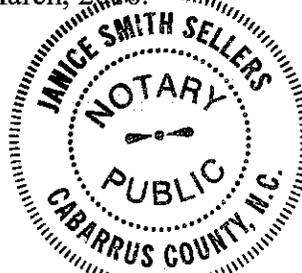
COUNTY OF Cabarrus

I, Janice Smith Sellers, a Notary Public of Cabarrus County, State of North Carolina, do hereby certify that Evander Rowell personally appeared before me this day and acknowledged the execution of the foregoing instrument.

Witness my hand and seal, this 10th day of March, 2010.



Name:
Notary Public



My Commission expires: 11/01/2012

[Stamp/Seal]