

ROY COOPER

Governor

MICHAEL S. REGAN

Secretary

TRACY E. DAVIS

Director

June 9, 2017

CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Woodlake CC Corp.
c/o National Corporate Research, Ltd.
212 South Tryon Street; Suite 1000
Charlotte, North Carolina 28281

RE: Woodlake Dam - Moore County
State Dam ID: MOORE-040
Cape Fear River Basin

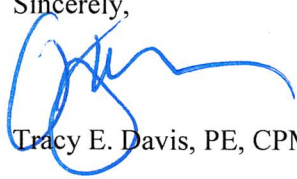
Dear Sir or Madam:

The Department of Environmental Quality (Department) upon inspection of Woodlake Dam (State Dam ID: MOORE-040) finds that this dam is not sufficiently strong and has not been maintained in good repair or operating condition. Furthermore, as owners of this dam, you have failed to complete the construction of the interim emergency remedy or emergency temporary breach in accordance with 15A NCAC 2K.0302(b) by March 1, 2017 as required by the November 17, 2016 Dam Safety Order. On March 15, 2017, a consent judgement was signed by Superior Court Judge, James E. Webb; Director of DEMLR, Tracy E. Davis, PE, CPM; and Woodlake CC Corporation representative, Julie Watson. This consent judgement stated that the owner must choose to use the previously approved temporary full breach plans or submit new approvable temporary full breach plans by April 10, 2017. A conceptual submittal was submitted on April 10, 2017 which notified the Department that you had chosen to submit a new temporary full breach plan for our review and approval. As the submittal that was received was not an approvable plan, it was therefore disapproved on April 11, 2017. However, new approvable temporary full breach plans were submitted on May 1, 2017 and approved on May 3, 2017. The construction of the temporary full breach was to be completed within 105 days after the issuance of the order. Although you initiated activities on the dam on May 13, 2017 to facilitate full breach of the structure, such activities have since ceased and based upon information we received from you and your engineer, you will not be able to complete the breach construction by the deadline specified in the Consent Judgment. This lack of continued progress is a significant concern to the Department as June 1, 2017 was the beginning of the annual Hurricane season and it is our opinion that the construction cannot be delayed any longer.

Considering the above and to provide emergency protection to life and property downstream of this dam per the requirements of NCGS 143-215.32(c), the Department, as delegated by the Environmental Management Commission, will take measures which include but are not limited to temporarily fully breaching the dam. As allowed by law, the Department intends to recover the costs of such measures from the owner by appropriate legal action.

If you have any questions regarding the above, please contact Mr. Brian Shane Cook, PE, LSIT, State Dam Safety Engineer, at (919) 707-9220.

Sincerely,



Tracy E. Davis, PE, CPM

Cc: Mr. Robert T. Indri, PE, Schnabel Engineering South, P.C.
Ms. Julie Watson, Woodlake CC Corp
Ms. Carolyn McLain, Esq., NC Attorney General's Office
Mr. John Payne, Esq., NC Attorney General's Office
Mr. Doug Ansel, Esq., DEQ Office of General Counsel
Mr. Toby Vinson, PE, DEMLR Chief of Program Operations
Mr. Brad Cole, PE, DEMLR Chief of Regional Operations
Mr. Nick Mills, DEMLR Fayetteville Regional Office
Fayetteville Regional Office Surface Water Protection Regional Supervisor