

Leland Land LLC

Post Office Box 1124, Orangeburg, SC 29116

January 2, 2014

Mr. David Peacock
Brownfield's Program Compliance Coordinator
North Carolina Div. of Waste Management
1646 Mail Service Center
Raleigh, NC 27699-1646



RE: Leland Land, LLC Brownfield Agreement # 07003-03-10
Carolina Pole Leland, Inc., Leland, NC Brunswick County
Annual LURU notification for 2013

Dear Mr. Peacock:

This letter is written to comply with our Brownfield Agreement Section V.19.m for annual submission of a notarized Land Use Restrictions Update (LURU), which includes certification that the Notice of Brownfield's Property containing these restrictions remains recorded at the Brunswick County register of Deeds office.

The LURU form has been completed and submitted with this package.

During 2013, the following was accomplished:

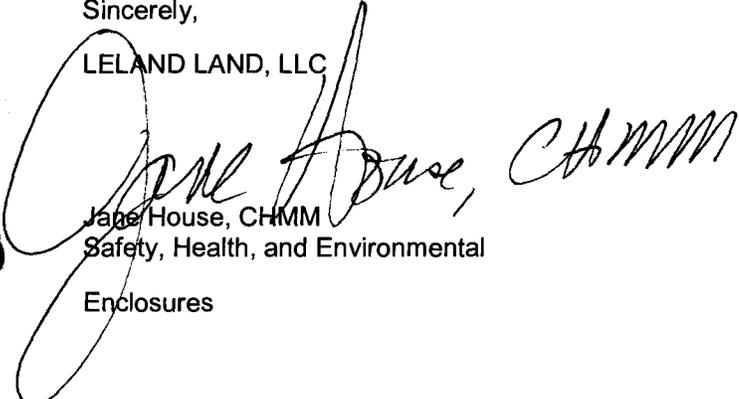
- The annual sentry perimeter sampling was performed. All wells were within limits except for MW C-5 and MW C-2. MW C-5, which is a well on our west side and not affected by our activities, has consistently shown arsenic at higher levels than the 2L standard. MW C-2, which showed chromium above the 2L standard, has had periodic hits for arsenic or chromium. If MW C-2 still shows chromium above the 2L standard in 2014, then an action plan will be put in place. MW C-1 was not sampled (NW corner) since the new highway still has the deep pit west of this well that is below our ground water level.
- Four quarterly inspections were documented (See enclosed information).
- Re-sampling of the production wells was performed. WS-1, which is the well at the treating facility, has not been used in almost two years, except for sampling. We are going to try and get it operational during 2014 and re-sample the production wells again to see if that will reduce the contaminant levels. Notification will be sent prior to work performed on WS-1 if anything is required other than normal maintenance to make it functional.

Pole Mill Incident #16624 sampling was performed twice during 2013 and results submitted to the State.

If you have any questions, or require more information, please feel free to contact me at (803) 664-4014 (Cell) or by email at jhouse@coxwood.com.

Sincerely,

LELAND LAND, LLC


Jane House, CHMM
Safety, Health, and Environmental

Enclosures

Brownfields Project #: 07003-03-10
Brownfields Property: General Wood Facility, 1901 Treatment Road
Property Owner (In whole or part): Leland Land, LLC



LAND USE RESTRICTIONS (“LUR”) UPDATE

LUR 1: No use may be made of the Brownfields Property other than for industrial wood treatment, in the area designated “PROCESS AND STORAGE AREA” on the plat component recorded with the Notice of Brownfields Property (“Notice”) without the prior written approval of the Department of Environment and Natural Resources (“DENR”). No use may occur of any part of the Brownfields Property outside the “PROCESS AND STORAGE AREA” without the prior written approval of DENR. In deciding whether to approve proposed other uses of any part of the Brownfields Property, DENR may consider the risks to public health and the environment presented by such proposed uses and may require additional information relating to such risks, including without limitation a worker-related risk assessment and environmental sampling results, to be provided. The “PROCESS AND STORAGE AREA” shall remain configured as it is as of the date of recordation of this Notice, unless DENR issues prior written approval to configure it otherwise. For purposes of this restriction, the following definitions apply:

- a. “Industrial” refers to manufacturing and processing operations that may produce greater than average levels of noise, vibration, dust, smoke or emissions, and that may include outdoor storage.

- b. “Wood treatment” refers to the pressure treating, by use of chemicals, of lumber, poles and other wood products for outdoor use. Creosote may not be employed for wood treatment or any other purpose at the Brownfields Property without the express prior written approval of DENR.

In compliance Out of compliance

Remarks: _____

LUR 2:

- a. No naturally occurring water on or under the Brownfields Property may be used for any purpose, and no activities that encounter, expose or remove naturally occurring water on or under the Brownfields Property may occur, except that water from any of the Brownfields Property’s three (3) water supply wells, denominated “WS-1,” “WS-2” and “WS-3” on the plat component of the Notice (Exhibit B), or any well

approved by DENR to replace an existing water supply well and depicted on an amended plat, may be used for process water, rinsing off equipment, flushing toilets, washing hands and any other use approved in advance in writing by DENR, under the following conditions:

- i. no less frequently than every three (3) years, unless the requirements or frequency of such sampling are modified in writing in advance by DENR, the water in the well has been sampled for volatile organic compounds ("VOCs"), semi-volatile organic compounds ("SVOCs") and metals regulated by the Resource Conservation and Recovery Act ("RCRA") (arsenic, barium, cadmium, chromium, lead, mercury, selenium and silver), pursuant to the most current version of U.S. Environmental Protection Agency Method SW-846;
- ii. analysis of said sampling, by a laboratory certified by the Laboratory Section of DENR's Division of Water Quality, has been submitted to DENR;
- iii. that analysis reflects concentrations of benzene (a VOC) below 0.106 milligrams per liter and concentrations of naphthalene (a SVOC) below 7.49 milligrams per liter;
- iv. sampling results reflect benzene concentrations that remain below the safe use standard of 0.106 milligrams per liter and naphthalene concentrations that remain below the safe use standard of 7.49 milligrams per liter; if sampling of a well reflects concentrations of either contaminant that exceed those levels, water from that well may not be used for hand-washing or any other activity that involves bodily contact with the water unless and until concentrations of both contaminants are below the required levels; if sampling of a well reflects concentrations of any other VOC, SVOC or RCRA metal that exceed the applicable standard in Title 15A of the North Carolina Administrative Code, Subtitle 2L, Rule .0202 ("2L"), water from that well may not be used for hand-washing or any other activity that involves bodily contact with the water unless and until a safe use standard for such VOC, SVOC or RCRA metal has been proposed to, and approved in writing by, DENR and the concentration of such VOC, SVOC or RCRA metal is below the safe use standard;
- v. Signs in English and Spanish that state, "THIS WATER MAY NOT BE USED FOR DRINKING AND MAY ONLY BE USED FOR _____," with the use(s) approved by DENR stated in the blank, are prominently displayed in close proximity to points where water is available from any of the wells whose use is approved by DENR; the owner of any part of the Brownfields Property containing any of the wells with no approved uses shall ensure that signs that state "DO NOT USE THIS WATER" are prominently displayed in close proximity to points where water is available from such well(s).

vi. If groundwater in a well exceeds a safe use standard established in or pursuant to subparagraph 2.a.iii. above (or, in the absence of a safe use standard, a 2L standard), and DENR determines that abandonment of the well is necessary to protect public health and the environment, DENR may require the owner of the part of the Brownfields Property containing that well to abandon the well and document said abandonment to DENR.

b. Any replacement wells installed pursuant to the subparagraph 19.b. of the Agreement shall be sampled in accordance with subparagraph 19.b.i. of the Agreement, no more than one year prior to their being placed in use.

In compliance Out of compliance

Remarks: 2013 Sampling shows increased levels in WS-1, but still below agreement.

LUR 3: Soil underlying buildings and impervious surfaces, including paved areas, at the Brownfields Property, as identified on the plat component of this Notice (Exhibit B hereto), soil underlying the area denominated "PETROLEUM HOTSPOT" on the plat component of this Notice (unless DENR has issued written approval of the remediation of said area), and soil proposed to be exposed in connection with any construction on the Brownfields Property, may not be exposed unless DENR has been provided a minimum of ten (10) business days advance written notice and has given prior written approval to a plan to protect public health and the environment during the activities that would expose such soil. DENR may inspect, and require screening or sampling for contaminants in, the exposed soil. If such screening or sampling discloses contamination that DENR determines may pose an unacceptable level of risk to public health or the environment, as much soil as DENR requires shall be removed and disposed of in accordance with applicable law, and any other actions DENR requires for protection of public health and the environment in view of the permitted uses of the Brownfields Property shall be taken. If DENR determines that the exposed soil is contaminated at levels that would not pose an unacceptable risk to public health or the environment if capped, DENR may require the soil to be capped, with perpetual maintenance of the cap, to the satisfaction of DENR.

In compliance Out of compliance

Remarks: _____

LUR 4: None of the four areas designated "HWMU" on the plat component of the Notice (Exhibit B) may be disturbed without the prior written approval of DENR on such conditions as DENR deems appropriate.

In compliance Out of compliance

Remarks: _____

LUR 5: Soil, landscaping and contours at the Brownfields Property may not be disturbed without the approval of DENR, except for mowing and pruning of above-ground vegetation, and, notwithstanding Land Use Restriction number 3 above, routine surface grading with flat-bladed equipment that does not significantly alter surface contours or involve excavation.

In compliance Out of compliance

Remarks: _____

LUR 6: No mining may be conducted on or under the Brownfields Property, including, without limitation, extraction of coal, oil, gas or any other minerals or non-mineral substances.

In compliance Out of compliance

Remarks: _____

LUR 7: The Brownfields Property may not be used as a park or for sports of any kind, including, but not limited to, golf, football, soccer and baseball, without the prior written approval of DENR.

In compliance Out of compliance

Remarks: _____

LUR 8: The Brownfields Property may not be used for agriculture, grazing or silviculture.

In compliance Out of compliance

Remarks: _____

LUR 9: The Brownfields Property may not be used as a playground, or for child care centers or schools.

In compliance Out of compliance

Remarks: _____

LUR 10: The Brownfields Property may not be used for kennels, private animal pens or horse-riding.

In compliance Out of compliance

Remarks: _____

LUR 11: No basements may be constructed on the Brownfields Property.

In compliance Out of compliance

Remarks: _____

LUR 12: No party conducting environmental assessment or remediation at the Brownfields Property at the direction of DENR, or pursuant to the Agreement or a permit or order issued by DENR, and no party installing capital improvements required by this Agreement, may be denied access to the Brownfields Property for purposes of conducting such assessment or remediation, or installing such improvements.

In compliance Out of compliance

Remarks: _____

LUR 13: During January of each year after this Agreement becomes effective, the then current owner of any part of the Brownfields Property shall submit a notarized Land Use Restrictions Update ("LURU") to DENR that includes a certification that this Notice remains recorded at the Brunswick County Register of Deeds office and that these Land Use Restrictions are being complied with, and that is accompanied by copies of the previous year's pages from the log book required by paragraph 13 of the Agreement. Depending on the year, and the portion of the Brownfields Property, the LURU shall also include (the paragraphs referenced are in the Agreement):

- a. a perimeter monitoring/sentry well analytical report (subparagraph 16.d.);
- b. analysis of water supply well sampling (subparagraph 19.b.ii.);
- c. soil sampling results (paragraph 15);
- d. an update on work with DENR's Aquifer Protection Section (paragraph 11) until documentation of "No Further Action" status is received; and
- e. inspection and maintenance log/photographs for the previous calendar year (paragraph 13).

In compliance Out of compliance

Remarks: _____

Notarized signing and submittal of this Land Use Restrictions Update constitutes certification that this Notice remains recorded at the Brunswick County Register of Deeds office and that the Land Use Restrictions are being complied with.

This Land Use Restrictions Update is certified by Leland Land LLC, owner of at least part of the Brownfields Property.

Name typed or printed of party making certification: R. Michael Johnson

In the case of owners that are entities:

Signature of individual signing: 

Name typed or printed: R. Michael Johnson

Title: President

In the case of all owners:

Date: 1/2/14

Leland Land, LLC

By: _____

R. Michael Johnson, Managing Member

SOUTH CAROLINA
ORANGEBURG COUNTY

I, Jerisa A Padgett, A Notary Public of the county and state aforesaid, certify that R. Michael Johnson personally came before me this day and acknowledged that he is a Member of Leland Land, LLC, a North Carolina limited liability company, and its Manager, and that by authority duly given and as the act of the company, the foregoing Notice of Brownfields Property was signed in its name by him.

WITNESS my hand and official stamp or seal, this 2nd day of January, 2014.

Jerisa A Padgett

Name:
Notary Public

My Commission expires: August 8, 2015