

Brownfields Project #: 07011-03-34
Brownfields Property: Salem Uniform, 4015 North Cherry Street
Property Owner (In whole or part): K & V, LLC

LAND USE RESTRICTIONS (“LUR”) UPDATE

LUR 1: No use other than warehousing may be made of the “brick and block building,” as denominated on the plat component of this Notice, absent compliance with the mechanical ventilation requirements of Land Use Restriction 8 below. No use may otherwise be made of the Brownfields Property except for warehousing, retail, office or parking purposes. For purposes of this restriction, the following definitions apply:

- a. “Warehousing” refers to the storage of general merchandise, refrigerator goods and farm products.
- b. “Retail” refers to a building, property or activity, the principal use or purpose of which is the sale of goods, products, or merchandise directly to the consumer.
- c. “Office” refers to a use or structure where business or professional services are conducted or rendered.

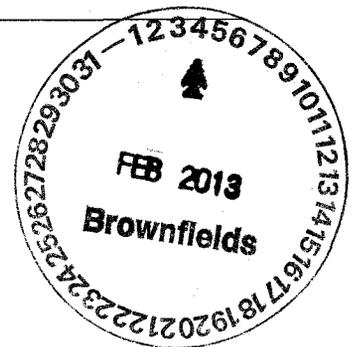
In compliance X Out of compliance _____

Remarks: _____

LUR 2: Surface water and underground water at the Brownfields Property may not be used for any purpose without the prior written approval of the Department of Environment and Natural Resources (“DENR”).

In compliance X Out of compliance _____

Remarks: _____



LUR 3: No activities that encounter, expose, remove or use groundwater (for example, installation of water supply wells, fountains, ponds, lakes or swimming pools, or construction or excavation activities that encounter or expose groundwater) may occur on the Brownfields Property without prior sampling and analysis of groundwater to the written satisfaction of DENR in any areas proposed for such activities, and submittal of the analytical results to DENR. If such results disclose to DENR contamination in excess of North Carolina's groundwater quality standards, the proposed activities may not occur without the prior written approval of DENR on such conditions as DENR imposes, including at a minimum compliance with plans and procedures, approved pursuant to applicable law, to protect public health and the environment during the proposed activities.

In compliance X Out of compliance _____

Remarks: _____

LUR 4: Soil on the Brownfields Property may not be exposed without a minimum of seven (7) business days advance written notice to DENR, unless DENR states otherwise in writing in advance. At the time such soil is exposed, DENR may inspect and sample, or require sampling of, the exposed soil for contaminants. If soil contamination is discovered, as much soil as DENR requires shall be capped to the written satisfaction of DENR, unless DENR determines said contamination would likely contaminate groundwater or pose an unreasonable risk to public health or the environment despite capping, in which case as much soil as DENR requires shall be removed and disposed of in accordance with applicable law, and any other actions that DENR requires to make the Brownfields Property suitable for the uses specified in Land Use Restriction 1 above while fully protecting public health and the environment shall be taken.

In compliance X Out of compliance _____

Remarks: _____

LUR 5: Landscaping and contours at the Brownfields Property may not be disturbed without the prior written approval of DENR, except for mowing, fertilizing, pruning and replacement of above-ground vegetation that does not involve disturbance of more than three (3) feet of soil.

In compliance X Out of compliance _____

Remarks: _____

LUR 6: No later than when the building denominated "Brick and Block Building" on the plat component of the Notice of Brownfields Property ("Notice") is connected to electricity, the interior shall be rendered fully and adequately capable of ventilation via installation in the building, at a minimum, of the following fans: one in the basement and one each in the main (western and eastern) first floor rooms. Switches for the fans shall be placed within one (1) foot of each entrance to the subject rooms, at the height of five (5) feet, to facilitate operation of the fans. The fans shall be in operation at all times while workers are present in the building. The building may not be used for any purpose other than warehousing absent compliance with the mechanical ventilation requirements of Land Use Restriction 8 below:

In compliance X Out of compliance _____

Remarks: _____

LUR 7: No building may be constructed on the Brownfields Property until DENR has been notified in writing. All buildings constructed, excluding an open-air storage building of the type described below in this Land Use Restriction 7, shall include a vapor barrier system and/or mechanical or passive vapor barrier mitigation system, at DENR's discretion, installed in accordance with a plan approved in writing in advance by DENR. Unperforated sheeting at least six (6) mils thick, a spray membrane liner system consisting of a material resistant to the contaminants listed in the tables in "(2)" of the Notice, or another vapor barrier system may be proposed. No vapor barrier shall be approved that is not to be installed under the entire slab-on-grade foundation of the building, and sealed around any vertical pilings and other support structures underneath the slab, overlapped, and taped, glued or otherwise stabilized, so as to minimize air migration pathways. Within thirty (30) days following installation of the vapor barrier system and/or vapor mitigation system, DENR shall be provided certification of proper installation under seal of a professional engineer registered in North Carolina, as well as

photographs illustrating the installation and a brief narrative describing it. An open-air bulk or packaged product storage building may be constructed on the Brownfields Property without the indoor air contamination mitigation controls set forth in this Land Use Restriction 7 and Land Use Restriction 8 below, if the building has an impervious base, with footwalls and roof, but is not fully enclosed, thereby allowing air to flow without interruption through the building.

In compliance Out of compliance _____

Remarks: _____

LUR 8: Unless this Land Use Restriction is waived in writing by DENR in advance in regard to particular buildings, as it hereby is provisionally regarding the building referenced in Land Use Restriction 1 above and an open-air storage building of the type described in Land Use Restriction 7 above (assuming compliance with the conditions imposed in those Land Use Restrictions), no indoor space on the Brownfields Property may be put into use until mechanical ventilation with outdoor air is provided in compliance with the most current version of the Mechanical Ventilation section of the Ventilation chapter of the North Carolina State Building Code ("Code"), or another standard approved in writing in advance by DENR. If the choice is made to comply with the Code, within thirty (30) days following installation of mechanical ventilation a professional engineer registered in North Carolina shall certify to DENR under seal that it was installed in accordance with its design specifications and complies with the Code.

In compliance Out of compliance _____

Remarks: _____

LUR 9: 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 10: No basements may be constructed on the Brownfields Property unless they are, as determined in writing by DENR, vented in conformance with applicable building codes.

In compliance Out of compliance _____

Remarks: Already has a basement

LUR 11: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those listed in the tables in "(2)" of the Notice, may be used or stored at the Brownfields Property without the prior written approval of DENR, except in *de minimis* amounts for cleaning and other routine housekeeping activities.

In compliance Out of compliance _____

Remarks: _____

LUR 12: 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 13: The Brownfields Property may not be used for agriculture, grazing, timbering or timber production.

In compliance Out of compliance _____

Remarks: _____

LUR 14: The Brownfields Property may not be used as a playground, or for child care centers or schools.

In compliance Out of compliance _____

Remarks: _____

LUR 15: The Brownfields Property may not be used for kennels, private animal pens or horse-riding.

In compliance Out of compliance _____

Remarks: _____

LUR 16: Though any party may request of DENR's Aquifer Protection Section (or any successor in function) that particular wells on the Brownfields Property be flush-mounted below surface graded or abandoned, no well on the Brownfields Property may be interfered with or abandoned without the written approval of DENR's Aquifer Protection Section.

In compliance Out of compliance _____

Remarks: _____

LUR 17: No party conducting environmental assessment or remediation at the Brownfields Property at the direction of, or pursuant to a permit or order issued by, DENR may be denied reasonable access to the Brownfields Property for purposes of conducting such assessment or remediation.

In compliance Out of compliance _____

Remarks: _____

LUR 18: 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 to DENR certifying that the Notice remains recorded at the Forsyth County Register of Deeds office, and that the Land Use Restrictions are being complied with. The owner of the portion of the Brownfields Property containing the "brick and block building," as denominated on the plat component of this Notice, shall further affirmatively certify that no use other than warehousing is being made of that building unless the mechanical ventilation requirements of Land Use Restriction 8 above have been complied with.

In compliance X Out of compliance _____

Remarks: _____

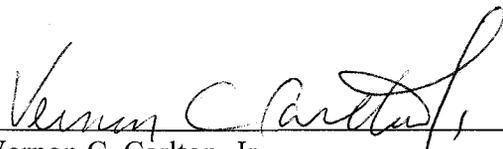
Notarized signing and submittal of this Land Use Restrictions Update constitutes certification that this Notice remains recorded at the Forsyth County Register of Deeds office and that the Land Use Restrictions are being complied with.

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

Name typed or printed of party making certification: K&V, LLC / Vernon C. Carlton, Jr.

In the case of owners that are entities:

Signature of individual signing:



Name typed or printed:

Vernon C. Carlton, Jr.

Title:

President

Date: 1/23/13

NORTH CAROLINA

FORSYTH COUNTY

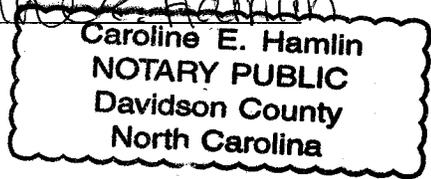
I, Caroline E. Hamlin, a Notary Public of Davidson county, North Carolina, certify that VERNON C. CARLTON, JR. personally came before me this day and acknowledged that he is a Member of K&V, LLC, a North Carolina limited liability company, and its Manager, and that by authority duly given and as the act of the company, the foregoing was signed in its name by him.

WITNESS my hand and official stamp or seal, this 23 day of January 2013,

Caroline E. Hamlin

Name typed or printed: Caroline E. Hamlin
Notary Public

My commission expires: 12-16-2017



[stamp/seal]