

L.I. Building L.L.C.
449 Trollingwood Road
Haw River, NC
22258



January 15, 2014

**VIA CERTIFIED MAIL
RETURN RECEIPT REQUESTED**

Ms. Shirley Liggins
North Carolina Department
of Environment and Natural Resources
Brownfields Program
401 Oberlin Road
Suite 150
Raleigh, NC 27605

Re: *Annual Land Use Restriction Update
LI Building Site
449 Trollingwood Road
Haw River, Alamance County, North Carolina
Brownfields Project No.: 08030-04-01*

Dear Ms. Liggins:

Enclosed please find a completed Land Use Restriction Update ("LURU") for the above referenced property.

If you have any questions about the enclosed materials or above certification, please feel free to contact me at the above.

Yours truly,

Paul Goldfarb
Corporate Controller

Enclosure

cc: Alamance County Health Department, Environmental Health Section

Brownfields Project #: 08030-04-01
Brownfields Property: L. I. Building, 449 Trollingwood Road
Property Owner (In whole or part): LI Building, LLC



LAND USE RESTRICTIONS ("LUR") UPDATE

LUR 1: No use may be made of the Brownfields Property, as limited by the other land use restrictions below, other than for industrial, sales/distribution and, with prior written Department of Environment and Natural Resources ("DENR") approval, other commercial purposes. The following definitions apply for purposes of this restriction:

- a. "Industrial" refers to manufacturing, which may involve assembly, fabrication, storage, transportation or processing of goods or materials using processes that may produce greater than average (though legally compliant) impacts on the environment such as noise, smoke, fumes, vibration, dust, odors, glare, emissions or health or safety hazards outside of the building(s) where such processes occur.
- b. "Commercial" refers to an enterprise carried on for profit by the owner, lessee or licensee.

In compliance X Out of compliance

Remarks: _____

LUR 2: With the exception of buildings that are not enclosed (for example, an open parking garage), no building may be constructed on the Brownfields Property until DENR has been consulted regarding the proximity of the planned building to volatile contaminant plumes, as reflected in the most recent sampling results reasonably available to DENR. If DENR determines that the footprint of a building proposed to be constructed on the Brownfields Property would fall within one hundred (100) feet of said plume, it may not be constructed until Prospective Developer:

- a. installs a vapor barrier system and/or mechanical or passive vapor barrier mitigation system based on the sampling results referenced above and approved in writing by DENR in advance, within 30 days following which DENR shall be provided certification of proper installation under seal of a professional engineer licensed in North Carolina as well as photographs illustrating the installation and a brief narrative describing it; or

- b. prepares an assessment of the risk posed by soil gas to potential users of the building that demonstrates to DENR's written satisfaction that neither a vapor barrier nor mitigation system is required.

In compliance 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 applicable North Carolina groundwater quality standards, the proposed activities may not occur without the prior written approval of DENR on such conditions as DENR reasonably 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 Out of compliance _____

Remarks: _____

LUR 4: Soil within the area denominated "Area of Possible Soil Contamination" on the plat component of the Notice of Brownfields Property ("Notice") 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 that DENR determines would likely contaminate groundwater even if capped, or that may pose an imminent threat to public health or the environment if exposed, as much soil as DENR reasonably requires shall be removed and disposed of in accordance with applicable law, and any other actions that DENR reasonably requires to make the Brownfields Property suitable for the uses specified in the Brownfields Agreement ("Agreement") while fully protecting public health and the environment shall be taken. If soil contamination is discovered that DENR determines would not likely contaminate groundwater if capped, or likely pose an imminent threat to public health or the environment if exposed, as much soil as DENR

reasonably requires shall be removed and disposed of in accordance with applicable law or capped to the written satisfaction of DENR.

In compliance Out of compliance

Remarks: _____

LUR 5: 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 6: 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: _____

LUR 7: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those listed in 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, maintenance and other routine housekeeping activities; in fuel (e.g., for support vehicles, equipment or backup generators); in no. 2 fuel oil stored in a 6,800-gallon double-walled aboveground storage tank ("AST"); or in used oil stored in a 1,800-gallon AST and a 2,500 gallon AST, both of which possess secondary containment. All three ASTs appear on the plat component of the Notice.

In compliance Out of compliance

Remarks: _____

LUR 8: With the exception of the basketball court shown on the plat component of the Notice, 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 9: The Brownfields Property may not be used for agriculture, grazing, timbering or timber production, except timbering related to redevelopment of the Brownfields Property that is approved in writing in advance by DENR.

In compliance Out of compliance _____

Remarks: _____

LUR 10: The Brownfields Property may not be used as a playground, or for child care centers or schools, without the prior written approval of DENR.

In compliance Out of compliance _____

Remarks: _____

LUR 11: The Brownfields Property may not be used for kennels, private animal pens or horse-riding.

In compliance Out of compliance _____

Remarks: _____

LUR 12: The owner of any portion of the Brownfields Property where any existing or later DENR-approved monitoring well is damaged shall be responsible for repair of any such wells to DENR's written satisfaction and within a time period acceptable to DENR.

In compliance Out of compliance _____

Remarks: _____

LUR 13: 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 access to the Brownfields Property for purposes of conducting such assessment or remediation, which is to be conducted using reasonable efforts to minimize interference with authorized uses of the Brownfields Property.

In compliance Out of compliance _____

Remarks: _____

LUR 14: During January of each year after the year in which the Notice is recorded, the owner of any part of the Brownfields Property as of December 1st of the prior year shall submit a notarized Land Use Restrictions Update ("LURU") to DENR certifying that the Notice remains recorded at the Alamance County Register of Deeds office and that the land use restrictions are being complied with, and stating:

- a. the name, mailing address, telephone and facsimile numbers, and contact person's e-mail address of the owner submitting the LURU if said owner

acquired any part of the Brownfields Property during the previous calendar year. Insert information:

- b. the name, mailing address, telephone and facsimile numbers, and contact person's e-mail address of any transferee, including lessees, if said owner transferred any part of the Brownfields Property during the previous calendar year. Insert information:

- c. whether any vapor barrier and/or mitigation systems installed pursuant to Land Use Restriction 2 above are performing as designed, and whether the uses of the ground floors of any buildings containing such vapor barrier and/or mitigation systems have changed, and, if so, how.

Yes (attach additional information) No

In compliance Out of compliance

Remarks:

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

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

Name typed or printed of party making certification: _____

In the case of owners that are entities:

Signature of individual signing: _____

Name typed or printed: _____

Title: _____


IAN DONNELLY

MANAGER

In the case of all owners:

Date: January 13, 2014

L.I. Building L.L.C.

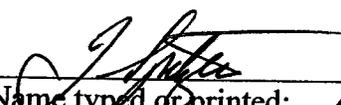
By: IAN DONNELLY
Name typed or printed:
Member/Manager

PROVINCE OF ONTARIO

COUNTRY OF CANADA

I, IRVING S SPITZEN, a Notary Public of the county and state aforesaid, certify that IAN DONNELLY personally came before me this day and acknowledged that he/she is a Member of LI Building, 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 Land Use Restriction Update was signed in its name by him/her.

WITNESS my hand and official stamp or seal, this 13 day of JANUARY, ~~2013~~ 2014


Name typed or printed: IRVING S SPITZEN
Notary Public

My Commission expires: JAN 23, 2015

[Stamp/Seal]

Irving Sheldon Spitzer, a Commissioner, etc.,
City of Toronto, for Flax Spitzer LLP,
Chartered Accountants.
Expires January 23, 2015.

[use for Partnerships]