

R. Sarah Compton, Esq.

Attorney at Law

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January 29, 2013

Mr. David Peacock
Brownfields Compliance Coordinator
NC Department of Environment and
Natural Resources
Div. of Waste Management
Mail Service Center 1646
Raleigh, NC 27699-1646



Re: Annual Land Use Restrictions Update Form
Former Fabrictex Facility; CCR Real Estate Holding, LLC.
376 Clarks Creek Road
Lincolnton, Lincoln County
Brownfields Project Number: 08035-04-55

Dear Mr. Peacock:

Pursuant to Paragraph 14(m) of the Brownfields Agreement entered into between CCR Real Estate Holdings, Inc. ("CCR") and the North Carolina Department of Environment and Natural Resources ("DENR") regarding the above-referenced property and pursuant to your January 4, 2013, letter to Mr. Brian McMurray, I am hereby submitting CCR's completed, signed and notarized Annual Land Use Restrictions Update ("LURU").

In addition, enclosed is a copy of my letter to the Lincoln County Department of Health certifying that, as of January 1, 2013, the Notice remains recorded at the Lincoln County Register of Deeds and that all land use restrictions are being complied with.

Please let me know if you have any questions concerning this submission.

Very truly yours,

R. Sarah Compton

Counsel for CCR Real Estate Holdings, LLC

cc: Mr. Brian McMurray
Mr. Doug Knowlton

NC BROWNFIELDS
LAND USE RESTRICTIONS ("LUR") UPDATE



Certification Year: 2012

Name: Fabrictex
Project #: 08035-04-55

Address: 376 Clarks Creek
County: Lincoln

Property Owner (In part or whole): CCR REAL ESTATE HOLDINGS, LLC

Read the following LURs and mark each restriction accordingly. Additional remarks may be added for compliance status clarification. Attach any required or supplemental documentation, sign, notarize and submit to the following address:

NC Division of Waste Management
Brownfields Program
1646 Mail Service Center
Raleigh, NC 27699-1646

LUR 1: No use may be made of the Brownfields Property other than as a textile manufacturing facility conducting knitting and finishing operations, or for other industrial/commercial uses so long as the Department of Environment and Natural Resources ("DENR") is given written notice no later than 30 days prior to commencement of other industrial/commercial uses. For purposes of this restriction, the following definitions apply:

- a. "Industrial" refers to the assembly, fabrication or processing of goods or materials.
- b. "Commercial" refers to a business enterprise.

In compliance Out of compliance

Remarks: _____

LUR 2: Unless compliance with this Land Use Restriction is waived in writing in advance by DENR in relation to particular buildings, demolition of any building depicted on the plat component of the Notice of Brownfields Property ("Notice") shall comply with applicable legal requirements, including without limitation those related to lead and asbestos abatement that are administered by the Health Hazards Control Unit within the Division of Public Health of the North Carolina Department of Health and Human Services.

In compliance Out of compliance

Remarks: _____

LUR 3: Surface water at the Brownfields Property may not be used for any purpose without the prior written approval of DENR.

In compliance Out of compliance

Remarks: _____

LUR 4: 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 DENR's advance written approval and on DENR-approved conditions such that the Brownfields Property is, or assuming successful implementation of DENR-approved measures will be, suitable for the uses specified in LUR 1 above and poses no risk that renders public health and the environment less than fully protected. DENR-approved measures may include without limitation 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 DENR determines that such results reflect contaminant concentrations that exceed the standards and screening levels applicable to the uses authorized for the Brownfields Property, the groundwater-related activities proposed may only occur, if at all, in compliance with any written conditions DENR imposes.

In compliance Out of compliance

Remarks: _____

LUR 5: In order to avoid exposure to potentially contaminated soil in close proximity to shallow groundwater, soil underneath Building A (as designated on the plat component of the Notice) may not be disturbed at depths greater than four (4) feet below the ground's surface without DENR's written approval, obtained in advance of the proposed disturbance, and on DENR-approved conditions such that the Brownfields Property is, or assuming successful implementation of DENR-approved measures will be, suitable for the uses specified in Land Use Restriction 1 above and poses no risk that renders public health and the environment less than fully protected. Any measures DENR determines in writing are necessary for that statement to be

made shall be taken pursuant to a plan approved in writing by DENR in advance, and approved in writing as implemented. Such measures may include without limitation environmental sampling and soil removal, treatment and/or capping.

In compliance Out of compliance

Remarks: _____

LUR 6: No building that fails to appear on the plat component of the Notice may be constructed within the footprint of Building A (as designated on the Plat component of the Notice) until:

- a. DENR determines in writing, based on submittals from the building's proponent, that the building's users, and public health and the environment, would not be at risk from the Brownfields Property's soil contamination; or
- b. DENR approves in writing vapor mitigation measures for the building. If this option is selected, the building may not be used until the measures are installed to the satisfaction of a professional engineer licensed in North Carolina, as evidenced by said engineer's seal in a submittal to DENR, and photographs illustrating the installation and a brief narrative describing it are submitted to DENR and deemed satisfactory in writing by that agency.

In compliance Out of compliance

Remarks: _____

LUR 7: 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 8: No basements may be constructed at the site of Building A (as designated on the plat component of the Notice) unless they are, as determined in writing by DENR, vented in conformance with applicable building codes.

In compliance ___ Out of compliance

Remarks: _____

LUR 9: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those appearing in Exhibit 2 to Exhibit A hereto, 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 10: The Brownfields Property may not be used as a playground, or for child care centers or schools.

In compliance ___ Out of compliance

Remarks: _____

LUR 11: The owner of any portion of the Brownfields Property where any existing, or subsequently installed, DENR-approved monitoring well is damaged shall be responsible for repair of any such well to DENR's written satisfaction and within a time period acceptable to DENR.

In compliance ___ Out of compliance

Remarks: _____

LUR 12: Neither DENR, nor any party conducting environmental assessment or remediation at the Brownfields Property at the direction of, or pursuant to a permit, order or agreement issued or entered into 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 13: 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 January 1st of that year shall submit a notarized Land Use Restrictions Update ("LURU") to DENR, and to the chief public health and environmental officials of Lincoln County, certifying that, as of said January 1st, the Notice remains recorded at the Lincoln 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 email address of the owner submitting the LURU if said owner acquired any part of the Brownfields Property during the previous calendar year.

N/A

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

N/A

- c. whether any vapor barrier mitigation measures installed pursuant to land use restriction 5 above are performing as designed.

N/A

d. whether the uses of the ground floors of any buildings containing such vapor barrier and/or mitigation systems have changed, and, if so, how.

N/A

In compliance Out of compliance

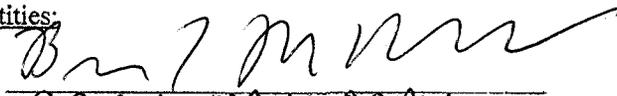
Remarks: _____

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

This Land Use Restrictions Update is certified by CCR REAL ESTATE HOLDINGS LLC, owner of at least part of the Brownfields Property.

Name typed or printed of party making certification: BRIAN McMURRAY

In the case of owners that are entities:

Signature of individual signing: 

Name typed or printed: BRIAN McMURRAY

Title: MANAGING MEMBER

In the case of all owners:

Date: _____

[use for LLCs]

[Insert Name of LLC] CCR REAL ESTATE HOLDINGS, LLC

By: [Signature]
Name typed or printed: BRIAN McMURRAY
Member/Manager

NORTH CAROLINA
Moore COUNTY

I, Dawn M. Armstrong, a Notary Public of the county and state aforesaid, certify that Brian L. McMurray personally came before me this day and acknowledged that he/she is a Member of CCR Real Estate, LLC, a North Carolina (state) limited liability company, and its Manager, and that by authority ^{holding} 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 21st day of January, 2013

Dawn M. Armstrong
Dawn M. Armstrong
Name typed or printed:
Notary Public

My Commission expires: 03/28/2014

[Stamp/Seal]



R. Sarah Compton, Esq.
Attorney at Law

P.O. Box 12728
Raleigh, NC 27605

919-812-4977
rscompton@nc.rr.com

January 29, 2013

Ms. Margaret B. Dollar
Director
Lincoln County Department of Health
151 Sigmon Road
Lincolnton, NC 28092

Re: Annual Land Use Restrictions Update
Former Fabrictex Facility; CCR Real Estate Holdings, LLC
376 Clarks Creek Road
Lincolnton, NC

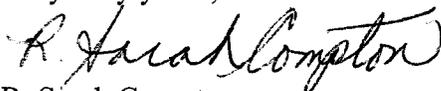
Dear Ms. Dollar:

Pursuant to requirements contained in a Brownfields Agreement between the North Carolina Department of Environment and Natural Resources ("NC DENR") and CCR Real Estate Holdings, LLC ("CCR") concerning the above-referenced property, I hereby enclose a copy of CCR's Annual Land Use Restrictions Update ("LURU").

I also hereby certify that the Notice (of said Brownfields Agreement) remains recorded at the Lincoln County Register of Deeds and that the land use restrictions contained in the Agreement are being complied with. I further certify that there has been no change in ownership of the property.

Please let me know if you have any questions concerning this certification or the enclosed LURU.

Very truly yours,



R. Sarah Compton
Counsel for CCR Real Estate Holdings, LLC

cc: David Peacock, NC DENR Brownfields Program
Mr. Scott Sneed, Manager, Envl. Health Division, Lincoln County
Mr. Brian McMurray, CCR Real Estate Holdings, LLC
Mr. Doug Knowlton, CCR Real Estate Holdings, LLC