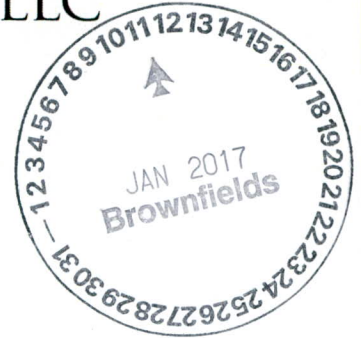


RIVERFRONT HOLDINGS II, LLC

January 5, 2017

Mr. David Peacock, Compliance Coordinator
NC Dept. of Environment & Natural Resources
Division of Waste Management – Brownfields Program
1646 Mail Service Center
Raleigh, NC 27699-1646



**Re: Brownfields Compliance Notice – Almont Shipping New (#10040-06-65)
Land Use Restriction Update (LUR)**

Dear Mr. Peacock,

Enclosed please find the annual Land Use Restriction Update for our Brownfields Development. The LUR submission is on behalf of:

- Riverfront Holdings II, LLC
- Northern Riverfront Marina & Hotel, LLLP
- City Marina Wilmington, LLC

Please advise if this completes the process of this update or if there are any further requirements. Thank you for your assistance.

Sincerely,

A handwritten signature in blue ink, appearing to read "CS".

Chuck Schoninger
RIVERFRONT HOLDINGS II, LLC

Brownfields Project #: 10040-06-65
Brownfields Property: Almont Shipping - New, 10 Harnett St & 501 Nutt St.
Property Owner (In whole or part): Riverfront Holdings II, LLC (in part)
Northern Riverfront Marina & Hotel, LLLP (in part)
City Marina Wilmington, LLC (in part)

LAND USE RESTRICTIONS (“LUR”) UPDATE

LUR 1: No use may be made of the Brownfields Property other than for high-density residential, marina, hotel, office, retail, performance/concert hall, meeting/convention facility, open space/outdoor recreation and related automobile parking purposes. Within the meaning of this land use restriction, the following definitions apply:

- a. “High-density residential” refers to structures used as multi-unit human dwellings, such as duplexes, triplexes, quadriplexes, condominiums, town homes and apartments, in which units are attached to each other with common walls and any associated property outside the structure(s) may be used, but is not owned, by particular inhabitants.
- b. “Marina” refers to a port within a sheltered harbor where boats and yachts are kept in the water or stored out of the water in dry dock. A marina may have refueling, washing and repair facilities for vessels and rooms, bathing, stores, restaurants, meeting facilities, and vehicle and trailer parking for use by customers or members.
- c. “Hotel” refers to a building containing more than four individual rooms that provides overnight lodging facilities and reservation, cleaning, utilities and on-site management and reception services for paying customers.
- d. “Office” refers to a place where business or professional services are provided.
- e. “Retail” refers to the sale of goods, products or merchandise directly to the consumer, including restaurants.
- f. “Performance/concert hall” refers to indoor or outdoor facilities suitable for the presentation of artistic and or musical productions, including but not limited to amphitheaters and auditoriums.



- g. "Meeting/convention facility" refers to one or more buildings providing space for gatherings of persons and related support services for paying customers.
- h. "Open space/outdoor recreation" refers to landscaped or natural areas set aside for the passive recreational use of residents/users of a development or of the general public, and to public or private golf courses, tennis courts, ball fields, ball courts, and similar active uses not enclosed in buildings that are approved in writing in advance by the North Carolina Brownfields Program, but the terms do not include any activities involving structures below ground surface, such as swimming pools.
- i. "Parking" refers to an area designed and designated for temporary accommodation of motor vehicles for a fee or as a service.

In compliance Out of compliance _____

Remarks: _____

LUR 2: In the area denominated "Area of Potential Vapor Concern" on the plat component of the Notice of Brownfields Property ("Notice"), no building may be constructed until the North Carolina Brownfields Program ("NCBP") has been consulted regarding the proximity of the planned building to the Brownfields Property's volatile contaminant plume. If NCBP determines that the footprint of a building proposed to be constructed on the Brownfields Property would fall within 100 feet of said plume, it may not be constructed without a vapor barrier system and/or mechanical or passive vapor mitigation system approved in writing in advance by NCBP. Within 30 days following installation of the vapor barrier system and/or mechanical or passive vapor mitigation system, NCBP shall be provided with 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. With NCBP's prior written approval, additional investigation activities including, without limitation, soil gas samples, performed to NCBP's written satisfaction, may be conducted, and installation of a barrier and/or mitigation system possibly excused, so long as the proponent makes an advance written commitment to install a barrier and/or mitigation system if NCBP so requires based on review of a report of the investigation activities that NCBP deems adequate.

In compliance Out of compliance _____

Remarks: _____

LUR 3: No building on the Brownfields Property may be used 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 NCBP, notwithstanding any exceptions the Code or alternative standard may contain, unless compliance with this land use restriction is waived in writing by NCBP in advance in regard to particular enlargements or buildings. Within 30 days following installation of the subject mechanical ventilation in a new building, or modification of a mechanical ventilation system in connection with enlargement of an existing building, a professional engineer licensed in North Carolina shall provide NCBP certification under seal that the ventilation system was installed in accordance with its design specifications and complies with the Code.

In compliance Out of compliance

Remarks: _____

LUR 4: Surface water and underground water at the Brownfields Property may not be used for any purpose without the prior written approval of NCBP.

In compliance Out of compliance

Remarks: _____

LUR 5: Except for environmental testing, remediation and monitoring required by DENR, no activities that remove or use groundwater (for example, installation of water supply wells, fountains, ponds, lakes or swimming pools supplied by groundwater, or construction or excavation activities) may occur on the Brownfields Property without prior sampling and analysis of groundwater to the satisfaction of NCBP, and submittal of the analytical results to NCBP. Any groundwater pumped from the ground shall be containerized, sampled and disposed of to NCBP's written satisfaction, unless this

requirement is waived in writing in advance by NCBP regarding a particular instance of pumping. If the analytical results disclose to NCBP contamination in excess of North Carolina's groundwater quality standards, the proposed activities may not occur without the written approval of NCBP on such conditions as NCBP imposes, including at a minimum the requisite legal approval, if any, of plans and procedures to protect public health and the environment during the proposed activities.

In compliance Out of compliance

Remarks: _____

LUR 6: Soil on the Brownfields Property may not be disturbed without a minimum of seven (7) business days advance written notice to NCBP, unless the NCBP states otherwise in writing in advance. At the time the soil in question is exposed, NCBP may inspect and sample, or require sampling of, the exposed soil for contaminants. If soil contamination is discovered that NCBP determines would likely contaminate groundwater even if capped, or that may pose an imminent threat to public health or the environment if disturbed, as much soil as NCBP reasonably requires shall be removed and disposed of in accordance with applicable law, or treated *in situ* in accordance with a plan approved in writing in advance by NCBP, and any other actions that NCBP reasonably 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. If soil contamination is discovered that NCBP determines would neither contaminate groundwater nor pose an imminent threat to public health or the environment if capped, as much soil as NCBP reasonably requires shall be removed and disposed of in accordance with applicable law, treated *in situ* in accordance with a plan approved in writing in advance by NCBP, or capped to the written satisfaction of NCBP.

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 mineral or non-mineral substances.

In compliance Out of compliance

Remarks: _____

LUR 8: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those listed in Tables A and B above, may be used or stored at the Brownfields Property without the prior approval of NCBP, except for *de minimis* amounts of such substances for cleaning and other routine housekeeping activities, petroleum products used in the operation of motor vehicle and marine engines, any such contaminants that are functional components of buildings, and emergency generator fuel if stored and used in compliance with a plan approved in writing in advance by NCBP.

In compliance Out of compliance _____

Remarks: _____

LUR 9: Nothing may be constructed below grade on the Brownfields Property, including without limitation basements and parking, without NCBP's prior written approval and venting in conformance, as determined by NCBP, with applicable building codes.

In compliance Out of compliance _____

Remarks: _____

LUR 10: Unless this land use restriction is waived in writing by NCBP, the owner of any portion of the Brownfields Property where any existing or subsequently installed monitoring well approved by the Department of Environment and Natural Resources ("DENR") is damaged shall be responsible for repair of such well to the written satisfaction of the DENR agency that approved the well and within a time period acceptable to that DENR agency.

In compliance Out of compliance _____

Remarks: _____

LUR 11: Given the possibility that contaminated soil could be encountered during redevelopment activities at the Brownfields Property, including but not limited to grading, cutting, and excavations for elevator shafts, foundations and footings, field screening techniques described in a plan approved in writing by NCBP in advance shall be employed during any soil cutting, penetrating, excavating and grading activities conducted at the Brownfields Property. Soil that field screening and/or field observation indicates may be contaminated with regulated substances shall be stockpiled pending sampling and laboratory analysis. All stockpiles shall be covered by a material impervious to water in a manner that prevents water infiltration or run-off. Stockpiled soils shall be sampled and analyzed in accordance with a plan approved, in writing in advance, by NCBP. All soil that NCBP determines exceeds applicable soil remediation goals ("SRGs") of DENR's Inactive Hazardous Sites Branch ("IHSB") shall, to NCBP's written satisfaction, be disposed of. If contamination is present in concentrations lower than the SRGs, and NCBP determines that the analytical results are such that spreading the stockpiled soil on the Brownfields Property will leave the Brownfields Property suitable for the uses specified in Land Use Restriction 1 above while fully protecting public health and the environment, the stockpiled soil may be spread on the Brownfields Property if any areas on which soil is spread are capped to NCBP's written satisfaction by a minimum of two (2) feet of clean fill dirt. If any soil or other material confirmed to be contaminated with regulated substances is discovered at the Brownfields Property during redevelopment, Prospective Developer shall summarize all activities related to such soil or other material in the next Redevelopment Report submitted pursuant to paragraph 16 of the Brownfields Agreement.

In compliance x Out of compliance

Remarks: _____

LUR 12: No fill material may be placed on the Brownfields Property unless NCBP has been informed in writing of the source of said material and, if NCBP so requires: NCBP has been provided documentation satisfactory to NCBP that the fill material does not contain hazardous substances at concentrations above IHSB's residential SRGs, or such analytical testing has been performed as NCBP requires to demonstrate to NCBP's satisfaction that the fill material does not contain hazardous substances at concentrations above the IHSB's residential SRGs.

In compliance Out of compliance _____

Remarks: _____

LUR 13: Within 30 days after any written NCBP request to do so, the then owner of each portion of the Brownfields Property containing any groundwater monitoring wells, injection wells, recovery wells, piezometers and other man-made points of groundwater access at the Brownfields Property shall effect the abandonment of same in accordance with Subchapter 2C of Title 15A of the North Carolina Administrative Code, and shall, within thirty (30) days after concluding such abandonment, provide NCBP, IHSB and the Division of Water Quality a report setting forth the abandonment procedures and results that includes well abandonment records.

In compliance Out of compliance _____

Remarks: _____

LUR 14: Neither DENR nor any 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 15: During January of each year after the year in which the Notice is recorded, the owner as of December 1st of the prior year of any part of the Brownfields Property shall submit a notarized Land Use Restrictions Update (“LURU”) to NCBP certifying that the Notice remains recorded at the New Hanover County Register of Deeds office and that the Land Use Restrictions are being complied with. Alternatively, the obligations of this subparagraph may be discharged on behalf of some or all owners by an owners’ association that satisfies DENR in writing that it is validly acting as agent for said owners, and that accepts responsibility for compliance with this subparagraph pursuant to a notarized instrument approved in writing by DENR. A statement in a

notarized copy of the master development association documents for the Brownfields Property requiring the master development association to annually submit the LURU shall suffice. The LURU shall state:

- a. the full name, mailing address, telephone and facsimile numbers, and 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 required information here, if applicable:

N/A

- b. the transferee's full name, mailing address, telephone and facsimile numbers, and e-mail address, if said owner transferred any part of the Brownfields Property during the previous calendar year; Insert required information here, if applicable:

Riverfront Holdings II, LLC
Chuck Schoninger – Managing Member
720 North Third Street, Suite 301
Wilmington, NC 28401
Phone: 910-251-6160
Fax: 910-251-6180
Email: chucks@usainvestco.com

NRMH Holdings, LLC
Chuck Schoninger – Managing Member
720 North Third Street, Suite 301
Wilmington, NC 28401
Phone: 910-251-6160
Fax: 910-251-6180
Email: chucks@usainvestco.com

Northern Riverfront Marina & Hotel, LLLP
Chuck Schoninger – General Partner
720 North Third Street, Suite 301
Wilmington, NC 28401
Phone: 910-251-6160
Fax: 910-251-6180
Email: chucks@usainvestco.com

Pier 33, LLC
Todd Saiced – Managing Member
3301 Benson Drive

Raleigh, NC 27609
Phone: 919-422-2903
Mobile: 919-239-8233
Email: Todd.Saiced@dewittcarolinas.com

City of Wilmington
Sterling Cheatham – City Manager
City Hall
102 N. Third Street
Wilmington, NC 28401
Phone: 910-341-7810
Fax: 910-341-5839
Email: sterling.cheatham@wilmingtonnc.gov

Please refer to Exhibit A for more information about the transfer of ownership of parcels within this development.

- c. whether any landscaped areas of the portion of the Brownfields Property subject to the LURU remain vegetated and exhibit soil erosion; Insert required information here:

- d. whether any caps installed pursuant to Land Use Restrictions 6 or 11, in the portion of the Brownfields Property subject to the LURU, remain in good condition and intact; Insert required information here, if applicable:

- e. whether buildings and pavement in the portion of the Brownfields Property subject to the LURU are being maintained in good repair; and the date(s) and nature of any building- and/or pavement-related construction, maintenance or repair work performed since the last LURU regarding the subject portion of the Brownfields Property; Insert required information here:

f. whether any vapor barrier and/or mitigation systems installed pursuant to Land Use Restriction 2 above, in the portion of the Brownfields Property subject to the LURU, are performing as designed; any maintenance and repair of any such system(s) that has been performed since the last LURU regarding the subject portion of the Brownfields Property; and whether the uses of the ground floors of any buildings in the portion of the Brownfields Property subject to the LURU that contain such vapor barrier and/or mitigation systems have changed, and, if so, how; Insert required information here, if applicable:

g. whether any mechanical ventilation systems installed pursuant to Land Use Restriction 3 above are performing as designed; and any maintenance and repair of any such system(s) has been performed since the last LURU regarding the subject portion of the Brownfields Property. Insert required information here, if applicable (or attach with drawings):

In compliance x Out of compliance

Remarks: _____

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

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

Name typed or printed of party making certification: **Riverfront Holdings II, LLC**
Northern Riverfront Marina & Hotel, LLLP
City Marina Wilmington, LLC

In the case of owners that are entities:

Signature of individual signing:  _____

Name typed or printed:

Chuck Schoninger

Title:

Managing Member

Date: **January 5, 2016**

[Riverfront Holdings II, LLC]

By: _____
Name typed or printed: Chuck Schoninger
Member/Manager

NORTH CAROLINA
New Hanover COUNTY

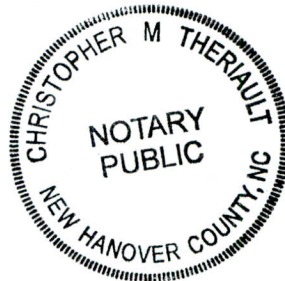
I, Christopher M. Theriault, a Notary Public of the county and state aforesaid, certify that Chuck Schoninger personally came before me this day and acknowledged that he/she is a Member of Riverfront Holdings II, LLC, a North Carolina (state) limited liability company, and its Manager, and that by authority 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 5th day of January, 2017.

Christopher M. Theriault
Name typed or printed: Christopher M. Theriault
Notary Public

My Commission expires: August 27, 2019

[Stamp/Seal]



[Northern Riverfront Marina & Hotel, LLLP]

By: *CS*
Name typed or printed: *Chuck Schoringer*
Member/Manager of *Wilmington Riverfront Development, LLC,*
the General Partner of Northern Riverfront Marina & Hotel, LLLP

NORTH CAROLINA
New Hanover COUNTY

I, *Christopher M. Theriault*, a Notary Public of the county and state aforesaid, certify that *Chuck Schoringer* personally came before me this day and acknowledged that he/she is a Member of _____, LLLP, a *North Carolina* (state) limited liability limited partnership, 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.

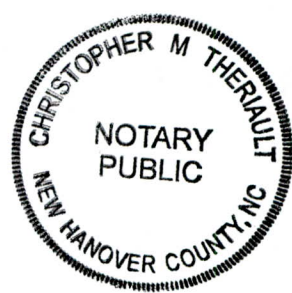
WITNESS my hand and official stamp or seal, this *5th* day of *January*, 2017.

Wilmington Riverfront Development, LLC, the General Partner of Northern Riverfront Marina and Hotel, LLLP

Christopher M. Theriault
Name typed or printed: *Christopher M. Theriault*
Notary Public

My Commission expires: *August 27, 2019*

[Stamp/Seal]



[City Marina Wilmington, LLC]

By: *CS*
Name typed or printed: Chuck Schoninger
Member/Manager

NORTH CAROLINA
New Hanover COUNTY

I, Christopher M. Theriault, a Notary Public of the county and state aforesaid, certify that Chuck Schoninger personally came before me this day and acknowledged that he/she is a Member of City Marina Wilmington, LLC, a North Carolina (state) 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 5th day of January, 2017.

Christopher M. Theriault
Name typed or printed: Christopher M. Theriault
Notary Public

My Commission expires: August 27, 2019

[Stamp/Seal]

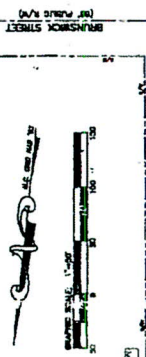


Exhibit A – Ownership Changes

This exhibit labels the current owners of each tract in the master development. The Deed books and page numbers are noted for each along with copies of those maps. Note – this information was included in last years LUR.



THIS MAP IS A RECOMBINATION OF EXISTING PARCELS OF LAND
DATE: 07/07/08
BY: [Signature]



FLOOD LEGEND
ZONE X
 AREAS DEEMED TO BE OUTSIDE THE 100-YEAR FLOOD ZONE
ZONE X
 AREAS OF FLOOD RISK, CHANGE OF FLOOD AREA AS OF 10/1/07
ZONE X
 AREAS DEEMED TO BE OUTSIDE THE 100-YEAR FLOOD ZONE
ZONE X
 AREAS OF FLOOD RISK, CHANGE OF FLOOD AREA AS OF 10/1/07
ZONE X
 AREAS DEEMED TO BE OUTSIDE THE 100-YEAR FLOOD ZONE
ZONE X
 AREAS OF FLOOD RISK, CHANGE OF FLOOD AREA AS OF 10/1/07

RIVER VENTURES, LLC
 TRACT 1-1 (7.46 ACRES)
 (NON-MARSHIA LAND)
 (ALMONT SHIPPING COMPANY TRACT)
 (NON-MARSHIA LAND)

RIVER VENTURES, LLC
 TRACT 1-1 (7.46 ACRES)
 (NON-MARSHIA LAND)
 (ALMONT SHIPPING COMPANY TRACT)
 (NON-MARSHIA LAND)

RIVER VENTURES, LLC
 TRACT 1-1 (7.46 ACRES)
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 (ALMONT SHIPPING COMPANY TRACT)
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 (NON-MARSHIA LAND)
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 (NON-MARSHIA LAND)
 (ALMONT SHIPPING COMPANY TRACT)
 (NON-MARSHIA LAND)

RIVER VENTURES, LLC
 TRACT 1-1 (7.46 ACRES)
 (NON-MARSHIA LAND)
 (ALMONT SHIPPING COMPANY TRACT)
 (NON-MARSHIA LAND)

RIVER VENTURES, LLC
 TRACT 1-1 (7.46 ACRES)
 (NON-MARSHIA LAND)
 (ALMONT SHIPPING COMPANY TRACT)
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY
 BLOCK 200
 1.27± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY
 BLOCK 200
 1.27± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY
 BLOCK 200
 1.27± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY
 BLOCK 200
 1.27± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY
 BLOCK 200
 1.27± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY TRACT
 4.40± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY TRACT
 4.40± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY TRACT
 4.40± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY TRACT
 4.40± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING COMPANY TRACT
 4.40± ACRES
 (NON-MARSHIA LAND)

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
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 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

ALMONT SHIPPING CO.
 MARSHIA LAND 11.78 ± ACRES

Map Book 50 Page 157

