Harriger, Joselyn

From:	Harriger, Joselyn
Sent:	Monday, October 24, 2016 4:05 PM
То:	Peter Harakas; 'Franchina, Dave'; Duckworth, Hope Newton
Cc:	Scott, Michael; Nicholson, Bruce; Wahl, Tracy; Liggins, Shirley; Watson, Samuel
Subject:	Highland Mill #3 - North Brevard Street: Approval to Public Comment
Attachments:	2016.10.24 SNI Highland Mill #3 - North Brevard Street.pdf; 2016.10.24 NI - Highland Mill #3 - North
	Brevard Street.pdf

Mr. Harakas,

Based on acceptance by the Prospective Developer of drafts of all four required brownfields documents -- the Notice of Intent to Redevelop a Brownfields Property (NI), Summary of Notice of Intent to Redevelop a Brownfields Property (SNI), Notice of Brownfields Property (NBP) and the Brownfields Agreement (Exhibit A to the NBP) -- and DEQ's approval of the plat component of the NBP, Prospective Developer may now proceed to the tasks required by NCGS § 130.310.34(a) in connection with the required public notice and comment period of at least 30 days regarding the subject brownfields project. Those tasks are as follows:

- 1. Publish the approved SNI in a newspaper of general circulation serving the area in which the brownfields property is located,
- 2. Conspicuously post a copy of the SNI at the brownfields property,
- 3. Mail or deliver the SNI to each owner of property contiguous to the brownfields property,
- 4. Provide a copy of the full NI to the local location where it will be available for public review as stated in the SNI, and
- 5. Provide a copy of the full NI, consisting of the one-page NI and the NBP with its three exhibits (the Brownfields Agreement, the survey plat, and the legal description), to all local governments having jurisdiction over the brownfields property.

Pursuant to NCGS § 130.310.34.(b), the public comment period shall begin following completion of the above tasks. The NI and SNI, with a date of October 28, 2016, are attached hereto. The comment period shall not end any sooner than 30 days after you complete the tasks.

NCGS § 130.310.34(b) also requires the Prospective Developer to submit documentation of the public notices to DEQ prior to DEQ entering into a Brownfields Agreement. That documentation shall be submitted by promptly providing to me, preferably at <u>joselyn.harriger@ncdenr.gov</u> or at Brownfields Program, 1646 Mail Service Center, Raleigh, NC 27699-1646, the following:

- Affidavit of publication of the SNI from the newspaper or a copy of the SNI published in the newspaper which shows the name of the newspaper and the date of publication,
- Photos of the SNI posted at the site, one close up to show the wording and one far enough to show the posting location relative to the property,
- Copies of the cover letters and copies of the mailing receipts stamped by the post office or copies of the delivery service receipts for the SNI sent to contiguous property owners,
- A letter from confirming receipt of the full NI from each local government entity and the entity where the document will be available for viewing.

Thank you for your attention to these matters. If you have any questions or require additional information, please contact me.

Joselyn Harriger, PG Project Manager Brownfields Program Department of Environmental Quality

704-235-2195 office 704-431-9825 mobile joselyn.harriger@ncdenr.gov

610 E. Center Avenue Suite 301 Mooresville, NC 28115



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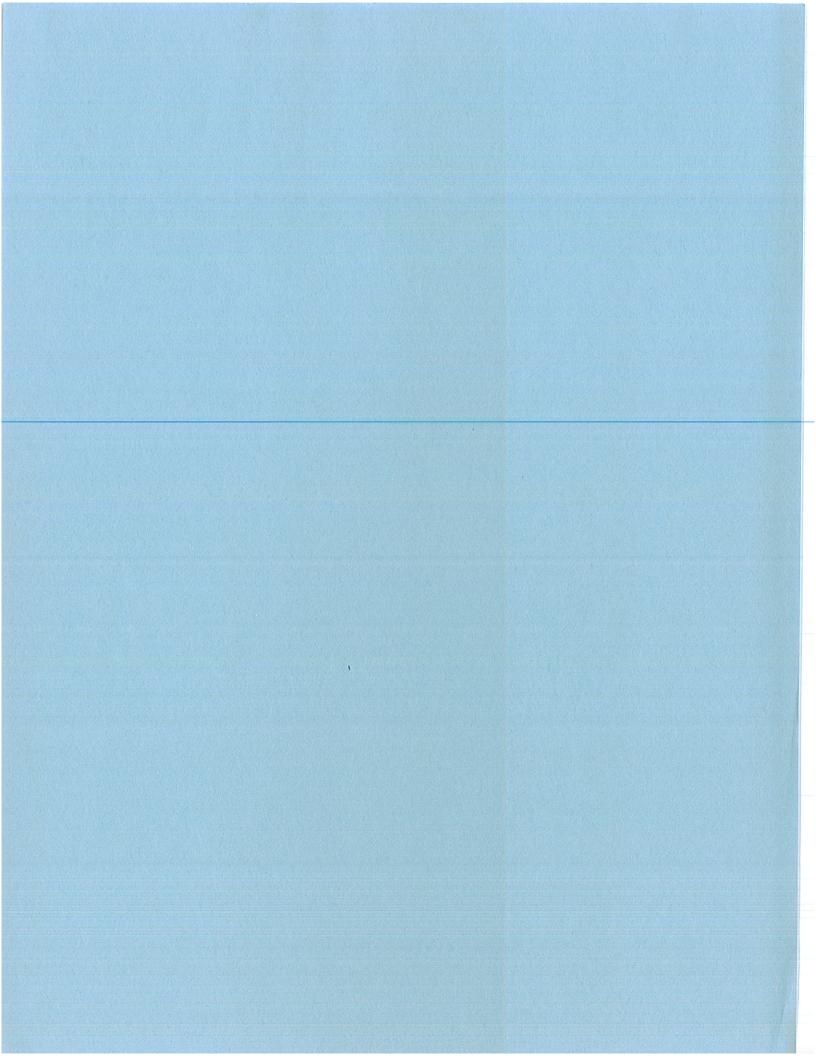
SUMMARY OF NOTICE OF INTENT TO REDEVELOP A BROWNFIELDS PROPERTY Site Name: Highland Mill #3 – North Brevard Street Brownfields Project Number: 20037-16-060

Pursuant to NCGS § 130A-310.34, CCH-Highland Mill, LLC, as Prospective Developer, has filed with the North Carolina Department of Environmental Quality ("DEQ") a Notice of Intent to Redevelop a Brownfields Property ("Property") in Charlotte, Mecklenburg County, North Carolina. The Property, which is the former site of several buildings associated with Highland Mill, consists of 0.581 acres and is located at North Brevard Street. Environmental contamination exists on the Property in soil, groundwater, and soil gas. CCH-Highland Mill, LLC has committed itself to redevelopment for no uses other than multi-family residential, open space, and recreation. The Notice of Intent to Redevelop a Brownfields Property includes: (1) a proposed Brownfields Agreement between DEQ and CCH-Highland Mill, LLC, which in turn includes (a) a map showing the location of the Property, (b) a description of the contaminants involved and their concentrations in the media of the Property, (c) the above-stated description of the intended future use of the Property, and (d) proposed investigation and remediation; and (2) a proposed Notice of Brownfields Property prepared in accordance with NCGS § 130A-310.35.

The full Notice of Intent to Redevelop a Brownfields Property may be reviewed at the Charlotte-Mecklenburg Public Library, Robinson-Spangler Carolina Room, 310 North Tryon Street, Charlotte, NC 28202, (704) 416-0150; or at the offices of the N.C. Brownfields Program, 217 West Jones Street, Raleigh, NC or by contacting Shirley Liggins at that address, at <u>shirley.liggins@ncdenr.gov</u>, or at (919) 707-8383.

Written public comments may be submitted to DEQ within 30 days after the latest of the following dates: the date this Notice is (1) published in a newspaper of general circulation serving the area in which the Property is located, (2) conspicuously posted at the Property, and (3) mailed or delivered to each owner of property contiguous to the Property. Written requests for a public meeting may be submitted to DEQ within 21 days after the period for written public comments begins. Those periods will start no sooner than **October 28**, **2016** and will end on the later of: a) 30 and 21 days, respectively, after that; or b) 30 and 21 days, respectively, after completion of the latest of the three (3) above-referenced dates. All public comments and public meeting requests should be addressed as follows:

Mr. Bruce Nicholson Brownfields Program Manager Division of Waste Management NC Department of Environmental Quality 1646 Mail Service Center Raleigh, North Carolina 27699-1646



NOTICE OF INTENT TO REDEVELOP A BROWNFIELDS PROPERTY

Site Name: Highland Mill #3 – North Brevard Street Brownfields Project Number: 20037-16-060

North Carolina's Brownfields Property Reuse Act (the "Act"), North Carolina General Statutes ("NCGS") § 130A-310.30 through 130A-310.40, provides for the safe redevelopment of properties that may have been or were contaminated by past industrial and commercial activities. One of the Act's requirements is this Notice of Intent to Redevelop a Brownfields Property approved by the North Carolina Department of Environmental Quality ("DEQ"). See NCGS § 130A-310.34(a). The Notice of Intent must provide, to the extent known, a legal description of the location of the brownfields property, a map showing the location of the brownfields property, a description of the contaminants involved and their concentrations in the media of the brownfields property, a description of the intended future use of the brownfields property, any proposed investigation and remediation, and a proposed Notice of Brownfields Property prepared in accordance with NCGS § 130A-310.35. The party ("Prospective Developer") who desires to enter into a Brownfields Agreement with DEQ must provide a copy of this Notice to all local governments having jurisdiction over the brownfields property. The proposed Notice of Brownfields Property for a particular brownfields project is attached hereto; the proposed Brownfields Agreement, which is attached to the proposed Notice of Brownfields Property as Exhibit A, contains the other required elements of this Notice. Written public comments may be submitted to DEO within 30 days after the latest of the following dates: the date the required summary of this Notice is (1) published in a newspaper of general circulation serving the area in which the Property is located, (2) conspicuously posted at the Property, and (3) mailed or delivered to each owner of property contiguous to the brownfields property. Written requests for a public meeting may be submitted to DEO within 21 days after the period for written public comments begins. Those periods will start no sooner than October 28, 2016, and will end on the later of: a) 30 and 21 days, respectively, after that; or b) 30 and 21 days, respectively, after completion of the latest of the three (3) above-referenced dates. All comments and meeting requests should be addressed as follows:

> Mr. Bruce Nicholson Brownfields Program Manager Division of Waste Management NC Department of Environmental Quality 1646 Mail Service Center Raleigh, North Carolina 27699-1646

Property Owner: CCH-Highland Mill, LLC Recorded in Book _____, Page ____ Associated plat recorded in Plat Book _____, Page _____

NOTICE OF BROWNFIELDS PROPERTY

Site Name: Highland Mill #3 – North Brevard Street Brownfields Project Number: 20037-16-060

This documentary component of a Notice of Brownfields Property ("Notice"), as well as the plat component, have been filed this _____ day of _____, 201__ by CCH-Highland Mill, LLC ("Prospective Developer").

This Notice concerns contaminated property.

A copy of this Notice certified by the North Carolina Department of Environmental Quality ("DEQ") is required to be filed in the Register of Deeds' Office in the county or counties in which the land is located, pursuant to North Carolina General Statutes ("NCGS"), § 130A-310.35(b).

This Notice is required by NCGS § 130A-310.35(a), in order to reduce or eliminate the danger to public health or the environment posed by environmental contamination at a property ("Brownfields Property") being addressed under the Brownfields Property Reuse Act of 1997, NCGS § 130A, Article 9, Part 5 ("Act").

Pursuant to NCGS § 130A-310.35(b), the Prospective Developer must file a certified copy of this Notice within 15 days of Prospective Developer's receipt of DEQ's approval of the Notice or Prospective Developer's entry into the Brownfields Agreement required by the Act, whichever is later. The copy of the Notice certified by DEQ must be recorded in the grantor index under the names of the owners of the land and, if Prospective Developer is not the owner, also under the Prospective Developer's name.

The Brownfields Property is located at North Brevard Street in Charlotte, North Carolina 28205 and is identified as Parcel 083-078-08. The property comprises 0.581 acres. The property is an outparcel of the parent parcel, the former Highland Mill, located at 2901 North Davidson Street and is currently utilized as a gravel parking lot and grass-covered area. CCH-Highland Mill, LLC intends to redevelop the property for no uses other than multi-family residential, open space, and recreation.

The Brownfields Agreement between Prospective Developer and DEQ is attached hereto as

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<u>Exhibit A</u>. It sets forth the use that may be made of the Brownfields Property and the measures to be taken to protect public health and the environment, and is required by NCGS § 130A-310.32. The Brownfields Agreement's Exhibit 2 consists of one or more data tables reflecting the concentrations of and other information regarding the Property's regulated substances and contaminants.

Attached as <u>Exhibit B</u> to this Notice is a reduction, to 8 $1/2" \times 11"$, of the survey plat component of this Notice. This plat shows areas designated by DEQ, has been prepared and certified by a professional land surveyor, meets the requirements of NCGS § 47-30, and complies with NCGS § 130A-310.35(a)'s requirement that the Notice identify:

(1) The location and dimensions of the areas of potential environmental concern with respect to permanently surveyed benchmarks.

(2) The type, location and quantity of regulated substances and contaminants known to exist on the Brownfields Property.

Attached hereto as <u>**Exhibit**</u> C is a legal description of the Brownfields Property that would be sufficient as a description of the property in an instrument of conveyance.

LAND USE RESTRICTIONS

NCGS § 130A-310.35(a) also requires that the Notice identify any restrictions on the current and future use of the Brownfields Property that are necessary or useful to maintain the level of protection appropriate for the designated current or future use of the Brownfields Property and that are designated in the Brownfields Agreement. The restrictions shall remain in force in perpetuity unless canceled by the Secretary of DEQ (or its successor in function), or his/her designee, after the hazards have been eliminated, pursuant to NCGS § 130A-310.35(e). All references to DEQ shall be understood to include any successor in function. The restrictions are hereby imposed on the Brownfields Property, and are as follows:

1. No use may be made of the Brownfields Property other than for multi-family residential, open space, and recreation. For purposes of this restriction, the following definitions apply:

a. "Multi-Family Residential" defined as multi-unit human dwellings, such as duplexes, triplexes, quadriplexes, townhomes, condominia, or apartments. Single family detached homes are prohibited.

b. "Open Space" defined as land maintained in a natural or landscaped state and used for natural resource protection, buffers, greenways, or detention facilities for stormwater.

c. "Recreation" defined as indoor and outdoor exercise-related, physically focused, or leisurerelated activities, whether active or passive, and the facilities for same, including, but not limited to, studios, swimming pools, sports-related courts and fields, open space, greenways, parks, playgrounds, walking paths, and picnic and public gathering areas.

2. Prior written DEQ approval is required for use as child care centers, adult care centers or schools.

3. Groundwater at the Brownfields Property may not be used for any purpose without the prior written approval of DEQ.

4. No activity that disturbs soil on the Brownfields Property may occur unless and until DEQ states in writing, in advance of the proposed activity, that said activity may occur if carried out along with any measures DEQ deems necessary to ensure the Brownfields Property will be suitable for the uses specified in paragraph 1 above while fully protecting public health and the environment, except:

a. in connection with landscape planting to depths not exceeding 24 inches;

b. mowing and pruning of above-ground vegetation;

c. for repair of underground infrastructure, provided that DEQ shall be given written notice at least seven days in advance of a scheduled repair (if only by email) of any such repair, or in emergency circumstances no later than the next business day, and that any related assessment and remedial measures required by DEQ shall be taken.; or

d. in accordance with an Environmental Management Plan (EMP) or Living Environmental Management Plan (LEMP) as outlined in paragraph 8.

5. No use, as outlined in paragraph 1, or occupancy of the Brownfields Property may occur after redevelopment until the then owner of the Brownfields Property conducts representative final grade soil sampling and if DEQ deems necessary an assessment of risk of any area within the Brownfields Property, pursuant to a specific plan, EMP, or LEMP, approved in advance in writing by DEQ. At a minimum, that plan shall include the collection of soil samples from the estimated or actual depth of soil to be cut along the Brownfields Property for the purposes of documenting impacts that may remain at the site, as well as surficial soil sampling.

6. No enclosed building may be constructed on the Brownfields Property and no existing building, defined as those depicted on the plat in Exhibit B, hereto, may be occupied until DEQ determines in writing that:

a. the building is or would be protective of the building's users, public health and the environment from risk of vapor intrusion based on site assessment data or a site-specific risk assessment approved in writing by DEQ; or

b. the building is or would be sufficiently distant from the Brownfields Property's groundwater and/or soil contamination based on assessment data approved in writing by DEQ that the building's users, public health and the environment will be protected from risk from vapor intrusion related to said contamination; or

c. vapor intrusion mitigation measures are installed and/or implemented to the satisfaction of a professional engineer licensed in North Carolina, as evidenced by said engineer's professional seal on a report that includes photographs and a description of the installation and performance of said measures. Any design specification for vapor intrusion mitigation measures shall be approved in writing by DEQ in advance of installation and/or implementation of said measures. The design specifications shall include methodology(ies) for demonstrating performance of said measures.

7. Surface water at the Brownfields Property may not be used for any purpose, other than in connection with legally compliant storm water collection and reuse techniques, without the prior written approval of DEQ.

8. Physical redevelopment of the Brownfields Property may not occur other than in accord, as determined by DEQ, with an EMP or LEMP approved in writing by DEQ in advance (and revised to DEQ's written satisfaction prior to each subsequent redevelopment phase) that is consistent with all the other land use restrictions and describes redevelopment activities at the Brownfields Property, the timing of redevelopment phases, and addresses health, safety and environmental issues that may arise from use of the Brownfields Property during construction or redevelopment in any other form, including without limitation:

a. soil and water management issues, including without limitation those resulting from contamination identified in the Environmental Reports;

hereto;

b. issues related to potential sources of contamination referenced in Exhibit 2 of Exhibit A,

c. contingency plans for addressing, including without limitation the testing of soil and groundwater, newly discovered potential sources of environmental contamination (e.g., underground storage tanks, drums, septic drain fields, oil-water separators, soil contamination); and

d. plans for the proper characterization of, and, as necessary, disposal of contaminated soils excavated during redevelopment.

9. By January 31 of each year after the effective date of this Agreement for as long as physical redevelopment of the Brownfields Property continues (except that the final deadline shall fall 90 days after the conclusion of physical redevelopment), the then owner of the Brownfields Property shall provide DEQ a report subject to written DEQ approval on environment-related activities since the last report, with a summary and drawings, that describes:

a. actions taken on the Brownfields Property in accordance with Section V: Work to be Performed of Exhibit A hereto;

b. soil grading and cut and fill actions;

c. methodology(ies) employed for field screening, sampling and laboratory analysis of environmental media;

d. stockpiling, containerizing, decontaminating, treating, handling, laboratory analysis and ultimate disposition of any soil, groundwater or other materials suspected or confirmed to be contaminated with regulated substances; and

e. removal of any contaminated soil, water or other contaminated materials (for example, concrete, demolition debris) from the Brownfields Property (copies of all legally required manifests shall be included).

10. Neither DEQ, 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 DEQ, 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.

11. Any deed or other instrument conveying an interest in the Brownfields Property shall contain the following notice: "This property is subject to the Brownfields Agreement attached as Exhibit A to the Notice of Brownfields Property recorded in the Mecklenburg County land records, Book ______, Page _____." A copy of any such instrument shall be sent to the persons listed in Section XV (Notices and Submissions) of Exhibit A hereto, though financial figures related to the conveyance may be redacted. Prospective Developer may use the following mechanisms to comply with the obligations of this paragraph, subject to the terms and conditions that DEQ may establish in such approval: (i) If every lease and rider is identical in form, Prospective Developer may provide DEQ with copies of a form lease or rider evidencing compliance with this paragraph, in lieu of sending copies of actual, executed leases, to the persons listed in Section XV (Notice and Submissions) of Exhibit A hereto; or (ii) Prospective Developer may provide abstracts of leases, rather than full copies of said leases, to the persons listed in Section XV of Exhibit A hereto.

12. None of the contaminants known to be present in the environmental media at the Brownfields Property, as described in Exhibit 2 of Exhibit A hereto, and as modified by DEQ in writing if additional contaminants in excess of applicable standards are discovered at the Brownfields Property, may be used or stored at the Brownfields Property without the prior written approval of DEQ, except:

a. in *de minimis* quantities for cleaning and other routine housekeeping and maintenance activities;

b. in fluids in vehicles; and

c. as constituents of products and materials customarily used and stored in residential environments, provided such products and materials are stored in original retail packaging and used and disposed of in accordance with applicable laws.

13. Within 60 days after the effective date of this Agreement or prior to land disturbance activities, Prospective Developer shall abandon monitoring wells, injection wells, recovery wells, piezometers and other man-made points of groundwater access at the Brownfields Property, except MW-10 identified on the plat of Exhibit B hereto, in accordance with Subchapter 2C of Title 15A of the North Carolina Administrative Code, unless an alternate schedule is approved by DEQ. Within 30 days after doing so, the Prospective Developer shall provide DEQ a report, setting forth the procedures and results. The monitoring well MW-10, if still present on the Brownfields Property, shall remain open until redevelopment activities require it to be abandoned, at which point MW-10 may be abandoned.

14. The owner of any portion of the Brownfields Property where any existing, or subsequently installed, DEQ-approved monitoring well is damaged by the owner, its contractors, or its tenants shall be responsible for repair of any such wells to DEQ's written satisfaction and within a time period acceptable to DEQ, unless compliance with this Land Use Restriction is waived in writing by DEQ in advance. This includes the replacement of monitoring well MW-10 (previously installed at the site by DSCA) should it need to be abandoned during redevelopment activities in coordination with DEQ and if DEQ so requires.

15. During January of each year after the year in which this 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 DEQ, and to the chief public health and environmental officials of Mecklenburg County, certifying that, as of said January 1st, the Notice of Brownfields Property containing these 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, board, association, or approved entity submitting the LURU if said owner or each of the owners on whose behalf the joint LURU is submitted acquired any part of the Brownfields Property during the previous calendar year;

b. A property owners' association or other entity may perform these LURU duties, on behalf of some or all owners of the Brownfields Property, if said association or entity has accepted responsibility for such performance pursuant to a notarized instrument satisfactory to DEQ that includes at a minimum, the name, mailing address, telephone and facsimile numbers, and e-mail address of each owner on whose behalf the LURU is proposed to be submitted.

c. whether any vapor barrier and/or mitigation systems installed pursuant to paragraph 6 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.

d. whether soil caps (hardscape materials, clean soil, stone) and landscaping required by the EMP or LEMP outlined in paragraph 8 above are being inspected and maintained to prevent erosion and/or human exposure to contaminated soil or other media.

e. LURUs submitted for any portion of the Brownfields Property that contains rental units shall include a list of tenants and their addresses.

f. A LURU submitted for rental units shall include the rent roll and enough of each lease entered into during the previous calendar year to demonstrate compliance with lessee notification requirements in paragraphs 21 and 22 of Exhibit A hereto.

For purposes of the land use restrictions set forth above, the DEQ point of contact shall be the DEQ official referenced in paragraph 35.a. of Exhibit A hereto, at the address stated therein.

ENFORCEMENT

The above land use restrictions shall be enforceable without regard to lack of privity of estate or contract, lack of benefit to particular land, or lack of any property interest in particular land. The land use restrictions shall be enforced by any owner of the Brownfields Property. The land use restrictions may also be enforced by DEQ through the remedies provided in NCGS § 130A, Article 1, Part 2 or by means of a civil action; by any unit of local government having jurisdiction over any part of the Brownfields Property; and by any person eligible for liability protection under the Brownfields Property Reuse Act who will lose liability protection if the restrictions are violated. Any attempt to cancel any or all of this Notice without the approval of the Secretary of DEQ (or its successor in function), or his/her delegate, shall be subject to enforcement by DEQ to the full extent of the law. Failure by any party required or authorized to enforce any of the above restrictions shall in no event be deemed a waiver of the right to do so thereafter as to the same violation or as to one occurring prior or subsequent thereto.

FUTURE SALES, LEASES, CONVEYANCES AND TRANSFERS

When any portion of the Brownfields Property is sold, leased, conveyed or transferred, pursuant to NCGS § 130A-310.35(d) the deed or other instrument of transfer shall contain in the description section, in no

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smaller type than that used in the body of the deed or instrument, a statement that the Brownfields Property has been classified and, if appropriate, cleaned up as a brownfields property under the Brownfields Property Reuse Act.

IN WITNESS WHEREOF, Prospective Developer has caused this instrument to be duly executed this _____ day of ______, 201__.

CCH-Highland Mill, LLC

By:

Charles E. Teal

A member and manager of SB Holding, LLC, the sole member and manager of Carolina Cottage Homes, LLC, the sole member and manager of CCH-Highland Mill, LLC

NORTH CAROLINA

_____COUNTY

I certify that the following person(s) personally appeared before me this day, each acknowledging to me that he or she voluntarily signed the foregoing document for the purpose stated therein and in the capacity indicated: ______.

Date: _____

Official Signature of Notary

(Official Seal)

Notary's printed or typed name, Notary Public My commission expires: _____

<u>APPROVAL AND CERTIFICATION OF NORTH CAROLINA</u> <u>DEPARTMENT OF ENVIRONMENTAL QUALITY</u>

The foregoing Notice of Brownfields Property is hereby approved and certified.

North Carolina Department of Environmental Quality

By:

Michael E. Scott Director, Division of Waste Management

Date

EXHIBIT A

NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY

IN THE MATTER OF: CCH-Highland Mill, LLC

UNDER THE AUTHORITY OF THE)	BROWNFIELDS AGREEMENT re:
BROWNFIELDS PROPERTY REUSE AG	CT)	Highland Mill #3–North Brevard Street
OF 1997, NCGS § 130A-310.30, et seq.)	North Brevard Street
Brownfields Project # 20037-16-060)	Charlotte, Mecklenburg County

I. INTRODUCTION

This Brownfields Agreement ("Agreement") is entered into by the North Carolina Department of Environmental Quality ("DEQ") and CCH-Highland Mill, LLC (collectively the "Parties") pursuant to the Brownfields Property Reuse Act of 1997, NCGS § 130A-310.30, <u>et</u> <u>seq</u>. (the "Act") for the property located at North Brevard Street in Charlotte, North Carolina 28205 (the "Brownfields Property"). A map showing the location of the Brownfields Property that is the subject of this Agreement is attached hereto as Exhibit 1.

CCH-Highland Mill, LLC is a manager-managed North Carolina Limited Liability Company. Carolina Cottage Homes, LLC is the manager and 100% owner. CCH-Highland Mill, LLC is located at 3730 Glen Lake Drive, Suite 125 in Charlotte, North Carolina 28208. CCH-Highland Mill, LLC intends to redevelop the property for multi-family residential, open space, and recreation. The property is an outparcel of the parent parcel located at 2901 North Davidson Street and identified as parcel number 08307808. The property is currently utilized as a gravel parking lot and grass-covered area.

The Parties agree to undertake all actions required by the terms and conditions of this Agreement. The purpose of this Agreement is to settle and resolve, subject to reservations and limitations contained in Section VIII (Certification), Section IX (DEQ's Covenant Not to Sue and Reservation of Rights) and Section X (Prospective Developer's Covenant Not to Sue), the potential liability of CCH-Highland Mill, LLC for contaminants at the Brownfields Property.

The Parties agree that CCH-Highland Mill, LLC's entry into this Agreement, and the actions undertaken by CCH-Highland Mill, LLC in accordance with the Agreement, do not constitute an admission of any liability by CCH-Highland Mill, LLC for contaminants at the Brownfields Property. The resolution of this potential liability, in exchange for the benefit CCH-Highland Mill, LLC shall provide to DEQ, is in the public interest.

II. DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Agreement which are defined in the Act or elsewhere in NCGS § 130A, Article 9 shall have the meaning assigned to them in those statutory provisions, including any amendments thereto.

1. "Brownfields Property" shall mean the property which is the subject of this Agreement, and which is depicted in Exhibit 1 to the Agreement.

2. "Prospective Developer" shall mean CCH-Highland Mill, LLC.

III. STATEMENT OF FACTS

3. The Brownfields Property comprises approximately 0.581 acres of land, which was formerly part of the larger Highland Mill #3. Prospective Developer has committed itself to redevelopment for no uses other than multi-family residential, open space, and recreation.

4. The Brownfields Property is bordered to the north and east by land used for apartments of the Highland Mill Loft development, a brewery/restaurant, and an animal hospital; to the west by North Brevard Street, beyond which is land used for a railroad spur and under development for the LYNX Blue Line light rail; and to the south by North Brevard Street, beyond which is land use for a restaurant and single-family residences.

5. Prospective Developer obtained or commissioned the following reports, referred to

hereinafter as the "Environmental Reports," regarding the Brownfields Property:

Title	Prepared by	Date of Report
Limited Phase II Environmental Site	SUMMIT ELT, Inc.	June 1, 2016
Assessment		
Phase I Environmental Site Assessment -	SUMMIT ELT, Inc.	February 5, 2016
Townhomes at Highland Mills		
Phase I Environmental Site Assessment -	Real Estate Advisory,	December 3, 2013
Highland Mills Lofts	LLC	
Cunningham Cleaners, Report Forms for	AMEC Environment	July 8, 2013
North Carolina Dry-Cleaning Solvent	& Infrastructure, Inc.	
Cleanup Act Program, DSCA ID No 60-0019		

6. For purposes of this Agreement, DEQ relies on the following representations by Prospective Developer as to use and ownership of the Brownfields Property:

a. According to Sanborn maps and historical aerials, the Brownfields Property

was historically part of the Highland Park Textile Mill. The mill began operations in approximately 1904 and operated through the late 1960s. The Brownfields Property portion of the mill was utilized as a warehouse, cotton gin, "waste house" for storage for waste cotton, filters and cotton stock, and included a railroad spur.

b. The mill was decommissioned in 1969 and the buildings may have been used

for commercial or warehousing purposes from the 1970s through 2000s; however, specific tenants are unknown.

c. Structures were demolished at varying times between the 1980s and early

2000s.

d. The Brownfields Property is currently utilized as a gravel parking lot and grass-covered area, and has been used as such since approximately 2006.

e. Quadbridge HML Owner, LLC purchased the Brownfields Property on December 10, 2013. The Brownfields Property (parcel 08307808) was removed from the larger mill property, and was transferred to Quadbridge HML Outparcels Owner, LLC on June 30, 2016.

f. CCH-Highland Mill, LLC is under contract (dated January 21, 2016) to purchase the Property from Quadbridge HML Owner, LLC; the contract was subsequently amended to reflect Quadbridge HML Outparcels Owner, LLC as the new owner and seller of the Brownfields Property.

7. Pertinent environmental information regarding the Brownfields Property and surrounding area includes the following:

a. A release of tetrachloroethylene (PCE) and related compounds was discovered at the former Cunningham Cleaners facility, which is currently occupied by NODA Animal Hospital (2909 N. Davidson Street) and upgradient of the Brownfields Property. The release was initially identified in 2001 due to the removal of a vault which was found to be impacted. Cunningham Cleaners operated from approximately 1995 to 1999; however, this is also the location that was utilized as the Dye House of the former Highland Mill. Soil, groundwater, and vapor intrusion assessment has been documented at the facility and surrounding Highland Mill Loft buildings. The site was entered into the Dry-Cleaning Solvent Cleanup Act (DSCA) program (DC 600019) in April 2012 and is currently being managed by the DSCA program. Cunningham Cleaners was also listed in the RCRA database (NCR000002139; NCR000152033) as a Non-Generator and a Small Quantity Generator (SQG).

b. A 20,000-gallon Underground Storage Tank (UST) was removed August 10,
2001 south of the former Dye House building (current 2909 N. Davidson Street and NODA
Animal Hospital commercial building) and upgradient of the Brownfields Property.
Contaminated soil was excavated and closure was issued. Following closure, during

redevelopment, petroleum impacts were discovered in the former product supply line areas and additional soil was removed. NCDEQ UST Section issued a No Further Action letter for this release (UST Incident #23762) dated April 23, 2012.

8. The most recent environmental sampling at the Brownfields Property reported in the Environmental Reports occurred on May 25, 2016. The tables set forth in Exhibit 2 to this Agreement present contaminants present at the Brownfields Property above applicable standards or screening levels for each media sampled.

a. Groundwater samples collected between 2012 and 2016 indicate tetrachloroethylene at concentrations greater than the 15A NCAC 02L .0202 Groundwater Quality Standards (NC 2L standards). Both tetrachloroethylene and trichloroethylene were detected in groundwater at concentrations which exceed the residential screening criteria for vapor intrusion.

b. Three soil samples collected in 2016 contained concentrations of polycyclic aromatic hydrocarbons (PAHs) and select metals at concentrations above residential screening criteria. Concentrations of select metals appear to be naturally occurring metals in site soils.

c. A total of five soil gas samples have been collected from the site. Two of the three samples collected in 2016, contained concentrations of tetrachloroethylene above residential screening criteria for vapor intrusion.

d. One or more data tables reflecting the concentrations of and other information regarding the Brownfields Property's contaminants appear in Exhibit 2 to this Agreement.

9. For purposes of this Agreement DEQ relies on Prospective Developer's representations that Prospective Developer's involvement with the Brownfields Property has been limited to obtaining or commissioning the Environmental Reports, preparing and

submitting to DEQ a Brownfields Property Application (BPA) dated April 5, 2016, and contracting to purchase the Brownfields Property on January 21, 2016.

10. Prospective Developer has provided DEQ with information, or sworn certifications regarding that information on which DEQ relies for purposes of this Agreement, sufficient to demonstrate that:

a. Prospective Developer and any parent, subsidiary, or other affiliate has substantially complied with federal and state laws, regulations and rules for protection of the environment, and with the other agreements and requirements cited at NCGS § 130A-310.32(a)(1);

b. As a result of the implementation of this Agreement, the Brownfields Property will be suitable for the uses specified in the Agreement while fully protecting public health and the environment;

c. Prospective Developer's reuse of the Brownfields Property will produce a public benefit commensurate with the liability protection provided Prospective Developer hereunder;

d. Prospective Developer has or can obtain the financial, managerial and technical means to fully implement this Agreement and assure the safe use of the Brownfields Property; and

e. Prospective Developer has complied with all applicable procedural requirements.

11. The Parties agree that a \$30,000 "Redevelopment Now" fee Prospective Developer has paid suffices as the \$2,000 fee to seek a brownfields agreement required by NCGS § 130A-310.39(a)(1), and, within the meaning of NCGS § 130A-310.39(a)(2), the full cost to DEQ and

the North Carolina Department of Justice of all activities related to this Agreement, unless a change is sought to a Brownfields document after it is in effect, in which case there shall be an additional fee of at least \$1,000.

IV. BENEFIT TO COMMUNITY

12. The redevelopment of the Brownfields Property proposed herein would provide the following public benefits:

a. an increase in the Brownfields Property's productivity;

b. continuation of the revitalization of a formerly blighted area;

c. streetscape enhancement by the conversion of vacant areas into pedestrian oriented uses;

d. townhome structures designed in keeping with the neighborhood architecture;

e. opportunity for an increase in the number of property owning stakeholders in the community who support local business;

f. an increase in tax revenue for affected jurisdictions; and

g. the creation of approximately 20 jobs during redevelopment and two full-time jobs for some time after redevelopment is completed; the redevelopment will also contribute to sustaining existing jobs in the rapidly developing neighborhood in which the Brownfields Property is located.

V. WORK TO BE PERFORMED

13. In redeveloping the Brownfields Property, Prospective Developer shall make reasonable efforts to evaluate applying sustainability principles at the Brownfields Property, which may include the nine (9) areas incorporated into the U.S. Green Building Council Leadership in Energy and Environmental Design certification program (Sustainable Sites, Water Efficiency, Energy & Atmosphere, Materials & Resources, Indoor Environmental Quality, Locations & Linkages, Awareness & Education, Innovation in Design and Regional Priority), or a similar program.

14. Based on the information in the Environmental Reports, and subject to imposition of and compliance with the land use restrictions set forth below, and subject to Section IX of this Agreement (DEQ's Covenant Not to Sue and Reservation of Rights), DEQ is not requiring Prospective Developer to perform any active remediation at the Brownfields Property other than remediation that may be required pursuant to a DEQ-approved Environmental Management Plan (EMP) or Living Environmental Management Plan (LEMP) required by this Section.

15. By way of the Notice of Brownfields Property referenced below in paragraph 20, Prospective Developer shall impose the following land use restrictions under the Act, running with the land, to make the Brownfields Property suitable for the uses specified in this Agreement while fully protecting public health and the environment instead of remediation to unrestricted use standards. All references to DEQ shall be understood to include any successor in function.

a. No use may be made of the Brownfields Property other than for multi-family residential, open space, and recreation. For purposes of this restriction, the following definitions apply:

i. "Multi-Family Residential" defined as multi-unit human dwellings, such as duplexes, triplexes, quadriplexes, townhomes, condominia, or apartments. Single family detached homes are prohibited.

ii. "Open Space" defined as land maintained in a natural or landscaped state and used for natural resource protection, buffers, greenways, or detention facilities for stormwater. iii. "Recreation" defined as indoor and outdoor exercise-related,

physically focused, or leisure-related activities, whether active or passive, and the facilities for same, including, but not limited to, studios, swimming pools, sports-related courts and fields, open space, greenways, parks, playgrounds, walking paths, and picnic and public gathering areas.

b. Prior written DEQ approval is required for use as child care centers, adult care centers or schools.

c. Groundwater at the Brownfields Property may not be used for any purpose without the prior written approval of DEQ.

d. No activity that disturbs soil on the Brownfields Property may occur unless and until DEQ states in writing, in advance of the proposed activity, that said activity may occur if carried out along with any measures DEQ deems necessary to ensure the Brownfields Property will be suitable for the uses specified in subparagraph 15.a. above while fully protecting public health and the environment, except:

i. in connection with landscape planting to depths not exceeding 24 inches;

ii. mowing and pruning of above-ground vegetation;

iii. for repair of underground infrastructure, provided that DEQ shall be given written notice at least seven days in advance of a scheduled repair (if only by email) of any such repair, or in emergency circumstances no later than the next business day, and that any related assessment and remedial measures required by DEQ shall be taken.; or

iv. in accordance with an EMP or LEMP as outlined in paragraph 15.h.

e. No use, as outlined in paragraph 15.a., or occupancy of the Brownfields

Property may occur after redevelopment until the then owner of the Brownfields Property conducts representative final grade soil sampling and if DEQ deems necessary an assessment of risk of any area within the Brownfields Property, pursuant to a specific plan, EMP, or LEMP, approved in advance in writing by DEQ. At a minimum, that plan shall include the collection of soil samples from the estimated or actual depth of soil to be cut along the Brownfields Property for the purposes of documenting impacts that may remain at the site, as well as surficial soil sampling.

f. No enclosed building may be constructed on the Brownfields Property and no existing building, defined as those depicted on the plat component of the Notice of Brownfields Property referenced in paragraph 20 below, may be occupied until DEQ determines in writing that:

i. the building is or would be protective of the building's users, public health and the environment from risk of vapor intrusion based on site assessment data or a sitespecific risk assessment approved in writing by DEQ; or

ii. the building is or would be sufficiently distant from the Brownfields Property's groundwater and/or soil contamination based on assessment data approved in writing by DEQ that the building's users, public health and the environment will be protected from risk from vapor intrusion related to said contamination; or

iii. vapor intrusion mitigation measures are installed and/or implemented to the satisfaction of a professional engineer licensed in North Carolina, as evidenced by said engineer's professional seal on a report that includes photographs and a description of the installation and performance of said measures. Any design specification for vapor intrusion mitigation measures shall be approved in writing by DEQ in advance of installation and/or implementation of said measures. The design specifications shall include methodology(ies) for demonstrating performance of said measures.

g. Surface water at the Brownfields Property may not be used for any purpose, other than in connection with legally compliant storm water collection and reuse techniques, without the prior written approval of DEQ.

h. Physical redevelopment of the Brownfields Property may not occur other than in accord, as determined by DEQ, with an EMP or LEMP approved in writing by DEQ in advance (and revised to DEQ's written satisfaction prior to each subsequent redevelopment phase) that is consistent with all the other land use restrictions and describes redevelopment activities at the Brownfields Property, the timing of redevelopment phases, and addresses health, safety and environmental issues that may arise from use of the Brownfields Property during construction or redevelopment in any other form, including without limitation:

i. soil and water management issues, including without limitation those resulting from contamination identified in the Environmental Reports;

ii. issues related to potential sources of contamination referenced in Exhibit 2;

iii. contingency plans for addressing, including without limitation the testing of soil and groundwater, newly discovered potential sources of environmental contamination (e.g., underground storage tanks, drums, septic drain fields, oil-water separators, soil contamination); and

iv. plans for the proper characterization of, and, as necessary, disposal of contaminated soils excavated during redevelopment.

i. By January 31 of each year after the effective date of this Agreement for as

long as physical redevelopment of the Brownfields Property continues (except that the final deadline shall fall 90 days after the conclusion of physical redevelopment), the then owner of the Brownfields Property shall provide DEQ a report subject to written DEQ approval on environment-related activities since the last report, with a summary and drawings, that describes:

i. actions taken on the Brownfields Property in accordance with SectionV: Work to be Performed above;

ii. soil grading and cut and fill actions;

iii. methodology(ies) employed for field screening, sampling and laboratory analysis of environmental media;

iv. stockpiling, containerizing, decontaminating, treating, handling, laboratory analysis and ultimate disposition of any soil, groundwater or other materials suspected or confirmed to be contaminated with regulated substances; and

v. removal of any contaminated soil, water or other contaminated materials (for example, concrete, demolition debris) from the Brownfields Property (copies of all legally required manifests shall be included).

j. Neither DEQ, 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 DEQ, 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.

k. Any deed or other instrument conveying an interest in the Brownfields Property shall contain the following notice: "This property is subject to the Brownfields Agreement attached as Exhibit A to the Notice of Brownfields Property recorded in the Mecklenburg County land records, Book _____, Page _____." A copy of any such instrument shall be sent to the persons listed in Section XV (Notices and Submissions), though financial figures related to the conveyance may be redacted. Prospective Developer may use the following mechanisms to comply with the obligations of this paragraph, subject to the terms and conditions that DEQ may establish in such approval: (i) If every lease and rider is identical in form, Prospective Developer may provide DEQ with copies of a form lease or rider evidencing compliance with this paragraph, in lieu of sending copies of actual, executed leases, to the persons listed in Section XV (Notice and Submissions); or (ii) Prospective Developer may provide abstracts of leases, rather than full copies of said leases, to the persons listed in Section XV.

1. None of the contaminants known to be present in the environmental media at the Brownfields Property, as described in Exhibit 2 of this Agreement and as modified by DEQ in writing if additional contaminants in excess of applicable standards are discovered at the Brownfields Property, may be used or stored at the Brownfields Property without the prior written approval of DEQ, except:

i. in *de minimis* quantities for cleaning and other routine housekeeping and maintenance activities;

ii. in fluids in vehicles; and

iii. as constituents of products and materials customarily used and stored in residential environments, provided such products and materials are stored in original retail packaging and used and disposed of in accordance with applicable laws.

m. Within 60 days after the effective date of this Agreement or prior to land disturbance activities, Prospective Developer shall abandon monitoring wells, injection wells,

recovery wells, piezometers and other man-made points of groundwater access at the Brownfields Property, except MW-10 identified on the plat map, in accordance with Subchapter 2C of Title 15A of the North Carolina Administrative Code, unless an alternate schedule is approved by DEQ. Within 30 days after doing so, the Prospective Developer shall provide DEQ a report, setting forth the procedures and results. The monitoring well MW-10, if still present on the Brownfields Property, shall remain open until redevelopment activities require it to be abandoned, at which point MW-10 may be abandoned.

n. The owner of any portion of the Brownfields Property where any existing, or subsequently installed, DEQ-approved monitoring well is damaged by the owner, its contractors, or its tenants shall be responsible for repair of any such wells to DEQ's written satisfaction and within a time period acceptable to DEQ, unless compliance with this Land Use Restriction is waived in writing by DEQ in advance. This includes the replacement of monitoring well MW-10 (previously installed at the site by DSCA) should it need to be abandoned during redevelopment activities in coordination with DEQ and if DEQ so requires.

o. During January of each year after the year in which the Notice referenced below in paragraph 20 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 DEQ, and to the chief public health and environmental officials of Mecklenburg County, certifying that, as of said January 1st, the Notice of Brownfields Property containing these land use restrictions remains recorded at the Mecklenburg County Register of Deeds office and that the land use restrictions are being complied with, and stating:

i. the name, mailing address, telephone and facsimile numbers, and contact person's e-mail address of the owner, board, association, or approved entity submitting the LURU if said owner or each of the owners on whose behalf the joint LURU is submitted acquired any part of the Brownfields Property during the previous calendar year;

ii. A property owners' association or other entity may perform these LURU duties, on behalf of some or all owners of the Brownfields Property, if said association or entity has accepted responsibility for such performance pursuant to a notarized instrument satisfactory to DEQ that includes at a minimum, the name, mailing address, telephone and facsimile numbers, and e-mail address of each owner on whose behalf the LURU is proposed to be submitted.

iii. whether any vapor barrier and/or mitigation systems installed pursuant to subparagraph 15.f. 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.

iv. whether soil caps (hardscape materials, clean soil, stone) and landscaping required by the EMP or LEMP outlined in subparagraph 15.h. above are being inspected and maintained to prevent erosion and/or human exposure to contaminated soil or other media.

v. LURUs submitted for any portion of the Brownfields Property that contains rental units shall include a list of tenants and their addresses.

vi. A LURU submitted for rental units shall include the rent roll and enough of each lease entered into during the previous calendar year to demonstrate compliance with lessee notification requirements in paragraphs 21 and 22 of this Agreement.

16. The desired result of the above-referenced land use restrictions is to make the Brownfields Property suitable for the uses specified in the Agreement while fully protecting public health and the environment.

17. The guidelines, including parameters, principles and policies within which the desired results are to be accomplished are, as to field procedures and laboratory testing, the Guidelines of the Inactive Hazardous Sites Branch of DEQ's Superfund Section and Division of Waste Management Vapor Intrusion Guidance, as embodied in their most current version.

18. The consequence of achieving the desired results will be that the Brownfields Property will be suitable for the uses specified in the Agreement while fully protecting public health and the environment. The consequence of not achieving the desired results will be that modifications to land use restrictions and/or remediation in some form may be necessary to fully protect public health and/or the environment.

VI. ACCESS/NOTICE TO SUCCESSORS IN INTEREST

19. In addition to providing access to the Brownfields Property pursuant to subparagraph 15.j. above, Prospective Developer shall provide DEQ, its authorized officers, employees, representatives, and all other persons performing response actions under DEQ oversight, access at all reasonable times to other property controlled by Prospective Developer in connection with the performance or oversight of any response actions at the Brownfields Property under applicable law. Such access is to occur after prior notice and using reasonable efforts to minimize interference with authorized uses of such other property except in response to emergencies and/or imminent threats to public health and the environment. While Prospective Developer owns the Brownfields Property, DEQ shall provide reasonable notice to Prospective Developer of the timing of any response actions to be undertaken by or under the oversight of DEQ at the Brownfields Property. Except as may be set forth in the Agreement, DEQ retains all of its authorities and rights, including enforcement authorities related thereto, under the Act and any other applicable statute or regulation, including any amendments thereto.

20. DEQ has approved, pursuant to NCGS § 130A-310.35, a Notice of Brownfields Property for the Brownfields Property containing, <u>inter alia</u>, the land use restrictions set forth in Section V (Work to Be Performed) of this Agreement and a survey plat of the Brownfields Property. Pursuant to NCGS § 130A-310.35(b), within 15 days of the effective date of this Agreement Prospective Developer shall file the Notice of Brownfields Property in the Mecklenburg County, North Carolina, Register of Deeds' Office. Within three (3) days thereafter, Prospective Developer shall furnish DEQ a copy of the documentary component of the Notice containing a certification by the register of deeds as to the Book and Page numbers where both the documentary and plat components of the Notice are recorded, and a copy of the plat with notations indicating its recordation.

21. This Agreement shall be attached as Exhibit A to the Notice of Brownfields Property. Subsequent to recordation of said Notice, any deed or other instrument conveying an interest in the Brownfields Property shall contain the following notice: "This property is subject to the Brownfields Agreement attached as Exhibit A to the Notice of Brownfields Property recorded in the Mecklenburg County land records, Book _____, Page _____." A copy of any such instrument shall be sent to the persons listed in Section XV (Notices and Submissions), though financial figures related to the conveyance may be redacted. Prospective Developer may use the following mechanisms to comply with the obligations of this paragraph: (i) If every lease and rider is identical in form, Prospective Developer may provide DEQ with copies of a form lease or rider evidencing compliance with this paragraph, in lieu of sending copies of actual, executed leases, to the persons listed in Section XV (Notice and Submissions); or (ii) Prospective Developer may provide abstracts of leases, rather than full copies of said leases, to the persons listed in Section XV.

22. The Prospective Developer shall ensure that a copy of this Agreement is provided to any current lessee or sublessee on the Brownfields Property within seven days of the effective date of this Agreement.

VII. <u>DUE CARE/COOPERATION</u>

23. The Prospective Developer shall exercise due care at the Brownfields Property with respect to the manner in which regulated substances are handled at the Brownfields Property and shall comply with all applicable local, State, and federal laws and regulations. The Prospective Developer agrees to cooperate fully with any assessment or remediation of the Brownfields Property by DEQ and further agrees not to interfere with any such assessment or remediation. In the event the Prospective Developer becomes aware of any action or occurrence which causes or threatens a release of contaminants at or from the Brownfields Property while it owns the Property, the Prospective Developer shall immediately take all appropriate action to prevent, abate, or minimize such release or threat of release, shall comply with any applicable notification requirements under NCGS § 130A-310.1 and 143-215.85, Section 103 of CERCLA, 42 USC § 9603, and/or any other law, and shall immediately notify the DEQ Official referenced in paragraph 35.a. below of any such required notification.

VIII. CERTIFICATION

24. By entering into this Agreement, the Prospective Developer certifies that, without DEQ approval, it will make no use of the Brownfields Property other than that committed to in the Brownfields Property Application dated April 5, 2016 by which it applied for this Agreement. That use is multi-family residential, open space, and recreation. Prospective Developer also certifies that to the best of its knowledge and belief it has fully and accurately

disclosed to DEQ all information known to Prospective Developer and all information in the possession or control of its officers, directors, employees, contractors and agents which relates in any way to any past use of regulated substances or known contaminants at the Brownfields Property and to its qualification for this Agreement, including the requirement that it not have caused or contributed to the contamination at the Brownfields Property.

IX. DEQ'S COVENANT NOT TO SUE AND RESERVATION OF RIGHTS

25. Unless any of the following apply, Prospective Developer shall not be liable to DEQ, and DEQ covenants not to sue Prospective Developer, for remediation of the Brownfields Property except as specified in this Agreement:

a. The Prospective Developer fails to comply with this Agreement.

b. The activities conducted on the Brownfields Property by or under the control or direction of the Prospective Developer increase the risk of harm to public health or the environment, in which case Prospective Developer shall be liable for remediation of the areas of the Brownfields Property, remediation of which is required by this Agreement, to the extent necessary to eliminate such risk of harm to public health or the environment.

c. A land use restriction set out in the Notice of Brownfields Property required under NCGS § 130A-310.35 is violated while the Prospective Developer owns the Brownfields Property, in which case the Prospective Developer shall be responsible for remediation of the Brownfields Property to unrestricted use standards.

d. The Prospective Developer knowingly or recklessly provided false information that formed a basis for this Agreement or knowingly or recklessly offers false information to demonstrate compliance with this Agreement or fails to disclose relevant information about contamination at the Brownfields Property. e. New information indicates the existence of previously unreported contaminants or an area of previously unreported contamination on or associated with the Brownfields Property that has not been remediated to unrestricted use standards, unless this Agreement is amended to include any previously unreported contaminants and any additional areas of contamination. If this Agreement sets maximum concentrations for contaminants, and new information indicates the existence of previously unreported areas of these contaminants, further remediation shall be required only if the areas of previously unreported contaminants raise the risk of the contamination to public health or the environment to a level less protective of public health and the environment than that required by this Agreement.

f. The level of risk to public health or the environment from contaminants is unacceptable at or in the vicinity of the Brownfields Property due to changes in exposure conditions, including (i) a change in land use that increases the probability of exposure to contaminants at or in the vicinity of the Brownfields Property or (ii) the failure of remediation to mitigate risks to the extent required to make the Brownfields Property fully protective of public health and the environment as planned in this Agreement.

g. DEQ obtains new information about a contaminant associated with the Brownfields Property or exposures at or around the Brownfields Property that raises the risk to public health or the environment associated with the Brownfields Property beyond an acceptable range and in a manner or to a degree not anticipated in this Agreement.

h. The Prospective Developer fails to file a timely and proper Notice of Brownfields Property under NCGS § 130A-310.35.

26. Except as may be provided herein, DEQ reserves its rights against Prospective Developer as to liabilities beyond the scope of the Act.

27. This Agreement does not waive any applicable requirement to obtain a permit, license or certification, or to comply with any and all other applicable law, including the North Carolina Environmental Policy Act, NCGS § 113A-1, <u>et seq</u>.

28. Consistent with NCGS § 130A-310.33, the liability protections provided herein, and any statutory limitations in paragraphs 25 through 27 above, apply to all of the persons listed in NCGS § 130A-310.33, including future owners of the Brownfields Property, to the same extent as Prospective Developer, so long as these persons are not otherwise potentially responsible parties or parents, subsidiaries, or affiliates of potentially responsible parties.

X. PROSPECTIVE DEVELOPER'S COVENANT NOT TO SUE

29. In consideration of DEQ's Covenant Not To Sue in Section IX of this Agreement and in recognition of the absolute State immunity provided in NCGS § 130A-310.37(b), the Prospective Developer hereby covenants not to sue and not to assert any claims or causes of action against DEQ, its authorized officers, employees, or representatives with respect to any action implementing the Act, including negotiating, entering, monitoring or enforcing this Agreement or the above-referenced Notice of Brownfields Property.

XI. <u>PARTIES BOUND</u>

30. This Agreement shall apply to and be binding upon DEQ, and on the Prospective Developer, its officers, directors, employees, and agents. Each Party's signatory to this Agreement represents that she or he is fully authorized to enter into the terms and conditions of this Agreement and to legally bind the Party for whom she or he signs.

XII. <u>DISCLAIMER</u>

31. This Agreement in no way constitutes a finding by DEQ as to the risks to public health and the environment which may be posed by regulated substances at the Brownfields

Property, a representation by DEQ that the Brownfields Property is fit for any particular purpose, nor a waiver of Prospective Developer's duty to seek applicable permits or of the provisions of NCGS § 130A-310.37.

32. Except for the Land Use Restrictions set forth in paragraph 15 above and NCGS § 130A-310.33(a)(1)-(5)'s provision of the Act's liability protection to certain persons to the same extent as to a prospective developer, no rights, benefits or obligations conferred or imposed upon Prospective Developer under this Agreement are conferred or imposed upon any other person.

XIII. DOCUMENT RETENTION

33. The Prospective Developer agrees to retain and make available to DEQ all business and operating records, contracts, site studies and investigations, remediation reports, and documents generated by and/or in the control of the Prospective Developer, its affiliates or subsidiaries relating to storage, generation, use, disposal and management of regulated substances at the Brownfields Property, including without limitation all Material Safety Data Sheets or Safety Data Sheets, for six (6) years following the effective date of this Agreement, unless otherwise agreed to in writing by the Parties. Said records may be retained electronically such that they can be retrieved and submitted to DEQ upon request. At the end of six (6) years, the Prospective Developer shall notify DEQ of the location of such documents and shall provide DEQ with an opportunity to copy any documents at the expense of DEQ. To the extent DEQ retains any copies of such documents, Prospective Developer retains all rights it then may have to seek protection from disclosure of such documents as confidential business information.

XIV. PAYMENT OF ENFORCEMENT COSTS

34. If the Prospective Developer fails to comply with the terms of this Agreement, including, but not limited to, the provisions of Section V (Work to be Performed), it shall be

liable for all litigation and other enforcement costs incurred by DEQ to enforce this Agreement or otherwise obtain compliance.

XV. NOTICES AND SUBMISSIONS

35. Unless otherwise required by DEQ or a Party notifies the other Party in writing of a change in contact information, all notices and submissions pursuant to this Agreement shall be sent by prepaid first class U.S. mail, as follows:

a. for DEQ:

Joselyn Harriger (or successor in function) N.C. Division of Waste Management Brownfields Program Mail Service Center 1646 Raleigh, NC 27699-1646

b. for Prospective Developer:

Charles E. Teal (or successor in function) Saussy Burbank 3730 Glen Lake Drive, Suite 125 Charlotte, North Carolina, 28208

Notices and submissions sent by prepaid first class U.S. mail shall be effective on the third day following postmarking. Notices and submissions sent by hand or by other means affording written evidence of date of receipt shall be effective on such date.

XVI. <u>EFFECTIVE DATE</u>

36. This Agreement shall become effective on the date the Prospective Developer signs it, after receiving the signed, conditionally approved Agreement from DEQ. DEQ's approval of this Agreement is conditioned upon the complete and timely execution and filing of this Agreement in the manner set forth herein. Prospective Developer shall expeditiously sign the Agreement in order to effect the recordation of the full Notice of Brownfields Property within the statutory deadline of 15 days following such receipt. If the Agreement is not signed by Prospective Developer within 45 days after such receipt, DEQ has the right to revoke its approval and certification of this Agreement, and invalidate its signature on this Agreement.

XVII. TERMINATION OF CERTAIN PROVISIONS

37. If any Party believes that any or all of the obligations under Section VI (Access/Notice to Successors in Interest) are no longer necessary to ensure compliance with the requirements of the Agreement, that Party may request in writing that the other Party agree to terminate the provision(s) establishing such obligations; provided, however, that the provision(s) in question shall continue in force unless and until the Party requesting such termination receives written agreement from the other Party to terminate such provision(s).

XVIII. CONTRIBUTION PROTECTION

38. With regard to claims for contribution against Prospective Developer in relation to the subject matter of this Agreement, Prospective Developer is entitled to protection from such claims to the extent provided by NCGS § 130A-310.37(a)(5)-(6). The subject matter of this Agreement is all remediation taken or to be taken and response costs incurred or to be incurred by DEQ or any other person in relation to the Brownfields Property.

39. The Prospective Developer agrees that, with respect to any suit or claim for contribution brought by it in relation to the subject matter of this Agreement, it will notify DEQ in writing no later than 60 days prior to the initiation of such suit or claim.

40. The Prospective Developer also agrees that, with respect to any suit or claim for contribution brought against it in relation to the subject matter of this Agreement, it will notify DEQ in writing within 10 days of receiving said suit or claim.

XIX. PUBLIC COMMENT

41. This Agreement shall be subject to a public comment period of at least 30 days

starting the day after the last of the following public notice tasks occurs: publication of the approved summary of the Notice of Intent to Redevelop a Brownfields Property required by NCGS § 130A-310.34 in a newspaper of general circulation serving the area in which the Brownfields Property is located, conspicuous posting of a copy of said summary at the Brownfields Property, and mailing or delivery of a copy of the summary to each owner of property contiguous to the Brownfields Property. After expiration of that period, or following a public meeting if DEQ holds one pursuant to NCGS § 130A-310.34(c), DEQ may modify or withdraw its consent to this Agreement if comments received disclose facts or considerations which indicate that this Agreement is inappropriate, improper or inadequate.

IT IS SO AGREED: NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY By:

Michael E. Scott Director, Division of Waste Management Date

IT IS SO AGREED: CCH-Highland Mill, LLC By:

Charles E. Teal Date A member and manager of SB Holding, LLC, the sole member and manager of Carolina Cottage Homes, LLC, the sole member and manager of CCH-Highland Mill, LLC

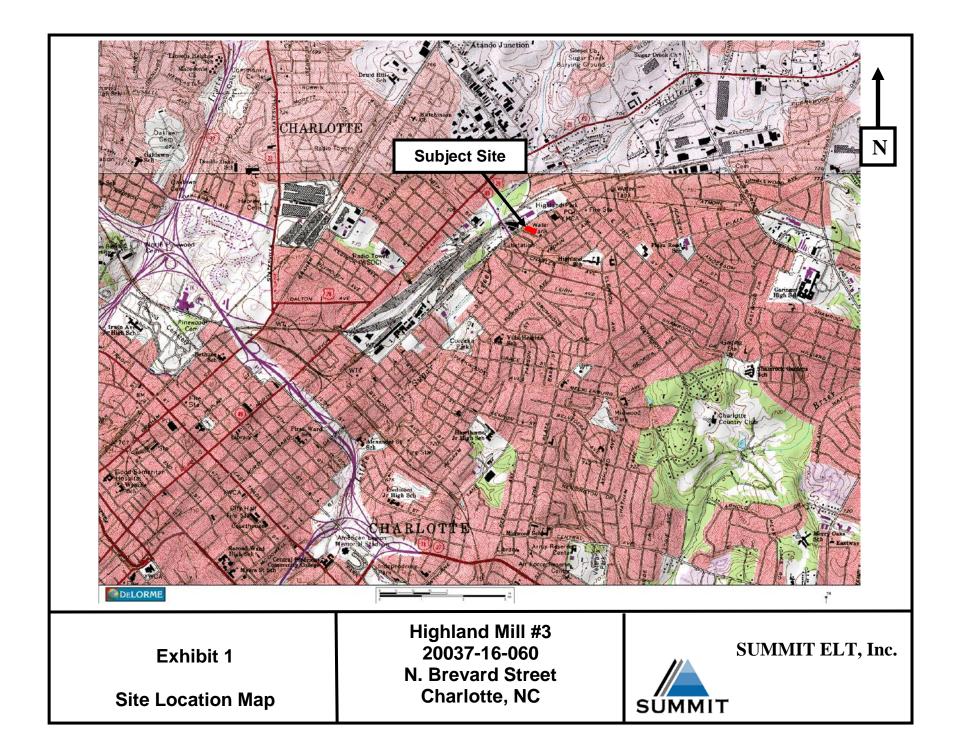


Exhibit 2

The most recent environmental sampling at the Property reported in the Environmental Reports occurred on May 25, 2016. The following tables set forth, for contaminants present at the Property above unrestricted use standards or screening levels, the concentration found at each sample location, and the applicable standard or screening level. Screening levels and groundwater standards are shown for reference only and are not set forth as cleanup levels for purposes of this Agreement.

GROUNDWATER

Groundwater contaminants in micrograms per liter (the equivalent of parts per billion), the standards for which are contained in Title 15A of the North Carolina Administrative Code, Subchapter 2L (2L), Rule .0202, (April 1, 2013 version):

Groundwater	Sample	Date of	Concentration	Standard
Contaminant	Location	Sampling	Exceeding	$(\mu g/L)$
			Standard (µg/L)	
	MW-10	2/27/2013	73.0	
Tetrachloroethylene	TMW-1	5/12/2016	73.0	0.7
	TMW-2	5/12/2016	23.0	0.7
	TW-6	unknown	2.0	

GROUNDWATER VAPOR INTRUSION RISK

Groundwater contaminants with potential for vapor intrusion (VI) in micrograms per liter (the equivalent of parts per billion), the vapor intrusion screening levels for which are derived from the Residential Vapor Intrusion Screening Levels of the Division of Waste Management (March 2016 version):

Groundwater Contaminant with Potential for Vapor Intrusion	Sample Location	Date of Sampling	Concentration Exceeding Screening Level (µg/L)	Residential VI Screening Level ¹ (µg/L)
	MW-10	2/27/2013	73.0	
Tetrachloroethylene	TMW-1	5/12/2016	73.0	11.5
	TMW-2	5/12/2016	23.0	
Trichloroethylene	MW-10	2/27/2013	1.1	1.04

¹ Screening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening levels displayed for carcinogens are for a 1.0E-5 lifetime incremental cancer risk.

SOIL

Soil contaminants in milligrams per kilogram (the equivalent of parts per million), the screening levels for which are derived from the Preliminary Residential Health- Based Soil Remediation Goals of the Inactive Hazardous Sites Branch of DEQ's Superfund Section (April 2016 version):

Soil Contaminant	Sample Location	Depth (ft)	Date of Sampling	Concentration Exceeding Screening Level (mg/kg)	Residential Screening Level ¹ (mg/kg)
	SB-1	2-4	4/28/2016	3.2	
Arsenic ²	SB-2	2-4	4/28/2016	3.6	0.68
	SB-3	2-4	4/28/2016	3.6	
	SB-1	2-4	4/28/2016	26	
Benzo(a)anthracene	SB-2	2-4	4/28/2016	1.8	0.16
	SB-3	2-4	4/28/2016	1.3	
	SB-1	2-4	4/28/2016	18	
Benzo(a)pyrene	SB-2	2-4	4/28/2016	1.9	0.016
	SB-3	2-4	4/28/2016	1.3	
	SB-1	2-4	4/28/2016	28	
Benzo(b)fluoranthene	SB-2	2-4	4/28/2016	2.5	0.16
	SB-3	2-4	4/28/2016	1.7	
Benzo(k)fluoranthene	SB-1	2-4	4/28/2016	12	1.6
Chrysene	SB-1	2-4	4/28/2016	28	16
	SB-1	2-4	4/28/2016	14	
Indeno(1,2,3-	SB-2	2-4	4/28/2016	1.1	0.16
cd)pyrene	SB-3	2-4	4/28/2016	0.69	

1) Screening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening levels displayed for carcinogens are for a 1.0E-6 lifetime incremental cancer risk.

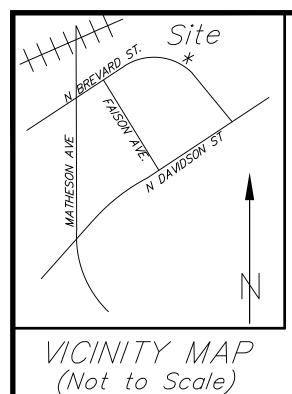
2) Concentrations of select metals believed to represent naturally occurring background level of metal in soil.

SOIL GAS

Soil gas contaminants in micrograms per cubic meter, the screening levels for which are derived from Residential Vapor Intrusion Screening Levels of the Division of Waste Management (March 2016 version):

Soil Gas	Sample	Date of	Concentration	Residential
Contaminant	Location	Sampling	Exceeding	Screening
			Screening	Limit ¹
			Level ($\mu g/m^3$)	$(\mu g/m^3)$
Tatuablanathulana	VP-1	5/25/2016	895	279
Tetrachloroethylene	VP-2	5/25/2016	1,240	278

¹Screening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening levels displayed for carcinogens are for a 1.0E-5 lifetime incremental cancer risk.



STATE OF NORTH CAROLINA MECKLENBURG COUNTY

I, _____, REVIEW OFFICER OF MECKLENBURG COUNTY, N.C. CERTIFY THAT THE MAP OR PLAT TO WHICH THIS CERTIFICATION IS AFFIXED MEETS ALL STATUTORY REQUIREMENTS FOR RECORDING.

REVIEW OFFICER

DATE

<u>NOTES</u>

- 1. #4 REBARS SET AT ALL CORNERS UNLESS OTHERWISE NOTED.
- 2. THIS PROPERTY ZONED MUDD-0.
- 3. AREAS COMPUTED BY COORDINATE METHOD.
- 4. TOTAL ACREAGE FOR THE AREA ENCOMPASSED BY THIS MAP IS 0.581 ACRES.
- 5. SUBJECT TRACT PLAT REFERENCE: MB 54 PG 159
- 6. SUBJECT TRACT IS GRAPHICALLY LOCATED ZONE "X" PER FEMA FIRM PANEL# 3710455400K, DATED 02/19/14.
- 7. ALL DISTANCES ARE HORIZONTAL GROUND UNLESS OTHERWISE NOTED
- 8. SURVEY COMPLETED AUGUST, 2016
- 9. NO OBSERVED EVIDENCE OF CEMETERIES OR BURIAL GROUNDS NOR WERE ANY REPORTED TO THIS FIRM.
- 10. NO NCGS MONUMENT RECOVERED WITHIN 2000 FEET OF PROPERTY

11. NO OBSERVED EVIDENCE OF SITE USED AS A SOLID WASTE DUMP, SUMP, OR SANITARY LANDFILL.

12. THIS SURVEY WAS COMPLETED WITH THE BENEFIT OF A TITLE OPINION. OTHER EASEMENTS AND RESTRICTION NOT SHOWN MAY EXIST

13. ENVIRONMENTAL SAMPLE LOCATIONS WERE PROVIDED BY SUMMIT ENGINEERING.

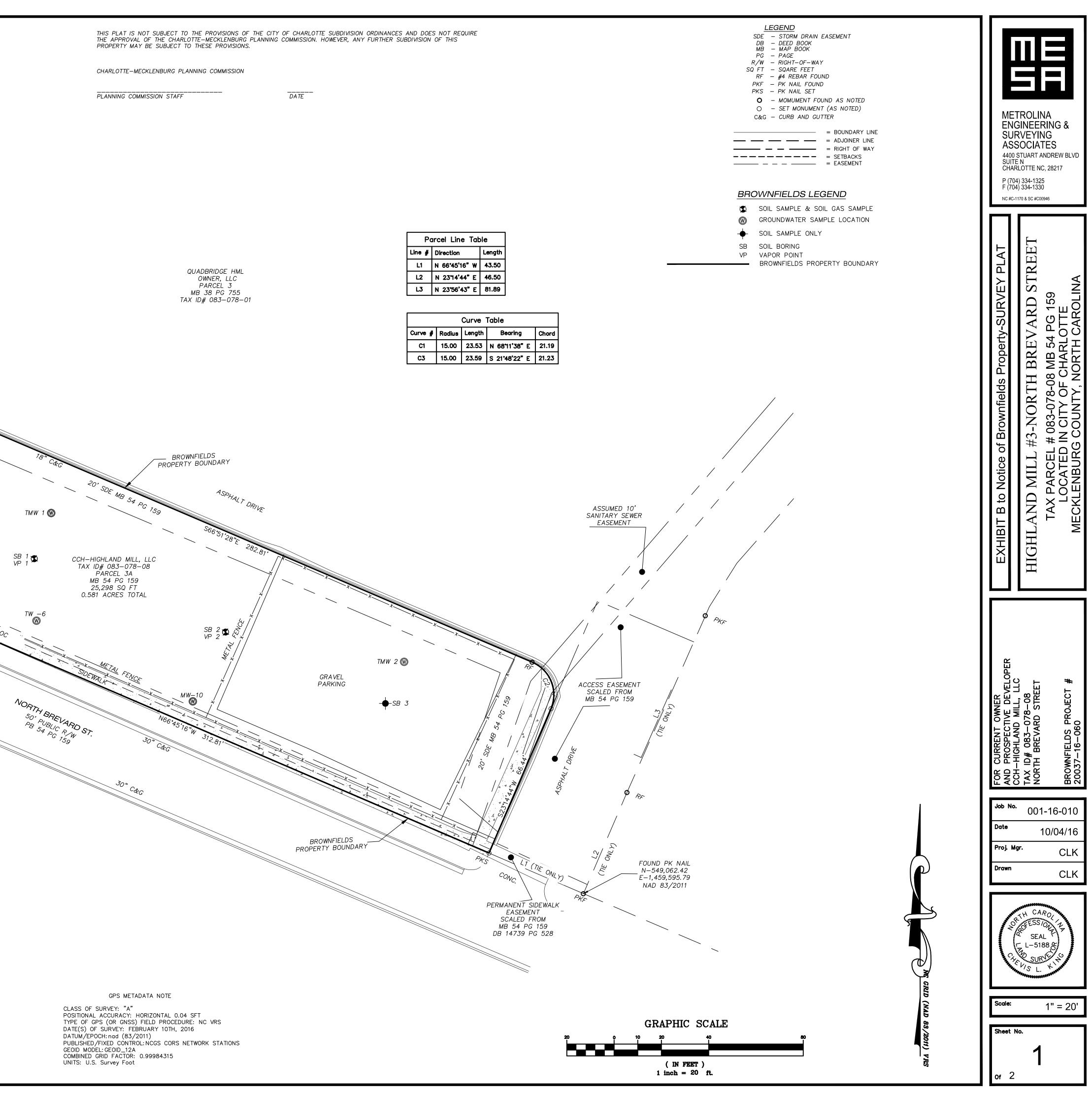
14. THE AREAS AND TYPES OF CONTAMINATION DEPICTED HEREON ARE APPROXIMATIONS DERIVED FROM THE BEST AVAILABLE INFORMATION AT THE TIME OF FILING. A LISTING OF THE TECHNICAL REPORTS USED TO PREPARE THIS PLAT ARE AVAILABLE IN THE BROWNFIELDS AGREEMENT FOR THIS PROPERTY.

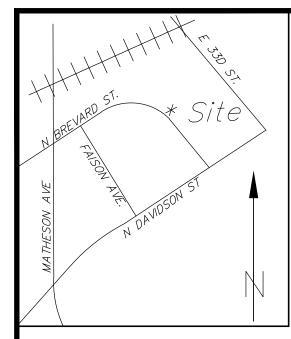
10'X70' SIGHT TRIANGLE

	RVISION FROM AN ACTUAL SURVEY MADE UNDER MY SUPERVISION (DEED DESCRIPTION ALCULATED IS 1: 10;000; THAT THIS PLAT WAS PREPARED IN ACCORDANCE WITH G.S. PER AND SEAL THIS 4TH DAY OF SEPTEMBER, A.D., 2016.
THIS SURVEY IS OF AN EXISTING PARCEL OR PARCELS OF LAND AND DOES NOT FOR SALES OR CONVEYANCES	
PROFESSIONAL LAND SURVEYOR L-5188	SEAL Y L-5188 8 CHEVS L. K

Po	Parcel Line Table						
Line #	Direction	Length					
L1	N 66°45'16" W	43.50					
L2	N 2314'44" E	46.50					
L3	N 23°56'43" E	81.89					

Curve Table					
Curve # Radius Length Bearing Cha					
C1	15.00	23.53	N 6811'38" E	21.19	
C3	15.00	23.59	S 21°48'22" E	21.23	





VICINITY MAP (Not to Scale,

GROUNDWATER

Groundwater contaminants in micrograms per liter (the equivalent of parts per billion), the standards for which are contained in Title 15A of the North Carolina Administrative Code, Subchapter 2L (2L), Rule .0202, (April 1, 2013 version):

Groundwater Contaminant	Sample Location	Date of Sampling	Concentration Exceeding	Standard (µg/L)
		1 0	Standard (µg/L)	
	MW-10	2/27/2013	73.0	
Totrachloroothylono	TMW-1	5/12/2016	73.0	0.7
Tetrachloroethylene	TMW-2	5/12/2016	23.0	0.7
	TW-6	unknown	2.0	

GROUNDWATER VAPOR INTRUSION RISK

Groundwater contaminants with potential for vapor intrusion (VI) in micrograms per liter (the equivalent of parts per billion), the vapor intrusion screening levels for which are derived from the Residential Vapor Intrusion Screening Levels of the Division of Waste Management (March 2016 version):

Groundwater Contaminant with Potential for Vapor Intrusion	Sample Location	Date of Sampling	Concentration Exceeding Screening Level (µg/L)	Residential VI Screening Level ¹ (µg/L)		
	MW-10	2/27/2013	73.0			
Tetrachloroethylene	TMW-1	5/12/2016	73.0	11.5		
	TMW-2	5/12/2016	23.0			
Trichloroethylene	MW-10	2/27/2013	1.1	1.04		
¹ Screening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening levels						

displayed for carcinogens are for a 1.0E-5 lifetime incremental cancer risk. ² NS – Screening level or regulatory not established.

<u>SOIL</u>

Soil contaminants in milligrams per kilogram (the equivalent of parts per million), the screening levels for which are derived from the Preliminary Residential Health- Based Soil Remediation Goals of the Inactive Hazardous Sites Branch of DEQ's Superfund Section (April 2016 version):

				< 1 1	/
Soil	Sample	Depth	Date of	Concentration	Residential
Contaminant	Location	(ft)	Sampling	Exceeding	Screening
				Screening	Level ¹ (mg/kg)
				Level	
				(mg/kg)	
	SB-1	2-4	4/28/2016	3.2	
Arsenic ²	SB-2	2-4	4/28/2016	3.6	0.68
	SB-3	2-4	4/28/2016	3.6	
	SB-1	2-4	4/28/2016	26	
Benzo(a)anthracene	SB-2	2-4	4/28/2016	1.8	0.16
Denzo(a)an(macene	SB-3	2-4	4/28/2016	1.3	
	SB-1	2-4	4/28/2016	18	
Benzo(a)pyrene	SB-2	2-4	4/28/2016	1.9	0.016
	SB-3	2-4	4/28/2016	1.3	
	SB-1	2-4	4/28/2016	28	
Benzo(b)fluoranthene	SB-2	2-4	4/28/2016	2.5	0.16
	SB-3	2-4	4/28/2016	1.7	
Benzo(k)fluoranthene	SB-1	2-4	4/28/2016	12	1.6
Chrysene	SB-1	2-4	4/28/2016	28	16
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Indeno(1,2,3-	SB-2	2-4	4/28/2016	1.1	0.16
cd)pyrene	SB-3	2-4	4/28/2016	0.69	
1) Screening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening level					
				· ·	-

displayed for carcinogens are for a 1.0E-6 lifetime incremental cancer risk. 2) Concentrations of select metals believed to represent naturally occurring background level of metal in

<u>SOIL GAS</u>

Soil gas contaminants in micrograms per cubic meter, the screening levels for which are derived from Residential Vapor Intrusion Screening Levels of the Division of Waste Management (March 2016 version):

Soil Gas	Sample	Date of	Concentration	Residential	
Contaminant	Location	Sampling	Exceeding	Screening	
			Screening	Limit ¹	
			Level ($\mu g/m^3$)	(µg/m ³)	
Tatmablamathulana	VP-1	5/25/2016	895	278	
Tetrachloroethylene	VP-2	5/25/2016	1,240	278	

Greening levels displayed for non-carcinogens are for a hazard quotient equal to 0.2. Screening levels displayed for carcinogens are for a 1.0E-5 lifetime incremental cancer risk.



LAND USE RESTRICTIONS

NCGS 130A-310.35(A) REQUIRES RECORDATION OF A NOTICE OF BROWNFIELDS PROPERTY ("NOTICE") THAT IDENTIFIES ANY RESTRICTIONS ON THE CURRENT AND FUTURE USE OF A BROWNFIELDS PROPERTY THAT ARE NECESSARY OR USEFUL TO MAINTAIN THE LEVEL OF PROTECTION APPROPRIATE FOR THE DESIGNATED CURRENT OR FUTURE USE OF THE PROPERTY AND THAT ARE DESIGNATED IN A BROWNFIELDS AGREEMENT PERTAINING TO THE PROPERTY. THIS SURVEY PLAT CONSTITUTES ONE OF THREE EXHIBITS TO THE NOTICE PERTAINING TO THE BROWNFIELDS PROPERTY DEPICTED ON THIS PLAT AND RECORDED AT THE MECKLENBURG COUNTY REGISTER OF DEEDS' OFFICE. THE EXHIBITS TO THE NOTICE ARE: THE BROWNFIELDS AGREEMENT FOR THE SUBJECT PROPERTY, WHICH IS ATTACHED AS EXHIBIT A TO THE NOTICE; A REDUCED VERSION OF THIS SURVEY PLAT, WHICH IS ATTACHED AS EXHIBIT B TO THE NOTICE; AND A LEGAL DESCRIPTION FOR THE SUBJECT PROPERTY, WHICH IS ATTACHED AS EXHIBIT C TO THE NOTICE. THE FOLLOWING LAND USE RESTRICTIONS, EXCERPTED VERBATIM FROM THE NOTICE, ARE HEREBY IMPOSED ON THE BROWNFIELDS PROPERTY AND SHALL REMAIN IN FORCE IN PERPETUITY UNLESS CANCELED BY THE SECRETARY OF THE NORTH CAROLINA DEPARTMENT OF ENVIRONMENTAL QUALITY (OR ITS SUCCESSOR IN FUNCTION), OR HIS/HER DESIGNEE, AFTER THE HAZARDS HAVE BEEN ELIMINATED, PURSUANT TO NCGS § 130A-310.35(E):

1. NO USE MAY BE MADE OF THE BROWNFIELDS PROPERTY OTHER THAN FOR MULTI-FAMILY RESIDENTIAL, OPEN SPACE, AND RECREATION. FOR PURPOSES OF THIS RESTRICTION, THE FOLLOWING DEFINITIONS APPLY:

A. "MULTI-FAMILY RESIDENTIAL" DEFINED AS MULTI-UNIT HUMAN DWELLINGS, SUCH AS DUPLEXES, TRIPLEXES, QUADRUPLEXES, TOWNHOMES, CONDOMINIUMS, OR APARTMENTS. SINGLE FAMILY DETACHED HOMES ARE PROHIBITED.

B. "OPEN SPACE" DEFINED AS LAND MAINTAINED IN A NATURAL OR LANDSCAPED STATE AND USED FOR NATURAL RESOURCE PROTECTION, BUFFERS, GREENWAYS, OR DETENTION FACILITIES FOR STORMWATER.

C. "RECREATION" DEFINED AS INDOOR AND OUTDOOR EXERCISE-RELATED, PHYSICALLY FOCUSED, OR LEISURE-RELATED ACTIVITIES, WHETHER ACTIVE OR PASSIVE, AND THE FACILITIES FOR SAME, INCLUDING, BUT NOT LIMITED TO, STUDIOS, SWIMMING POOLS, SPORTS-RELATED COURTS AND FIELDS, OPEN SPACE, GREENWAYS, PARKS, PLAYGROUNDS, WALKING PATHS, AND PICNIC AND PUBLIC GATHERING AREAS.

2. PRIOR WRITTEN DEQ APPROVAL IS REQUIRED FOR USE AS CHILD CARE CENTERS, ADULT CARE CENTERS OR SCHOOLS.

3. GROUNDWATER AT THE BROWNFIELDS PROPERTY MAY NOT BE USED FOR ANY PURPOSE WITHOUT THE PRIOR WRITTEN APPROVAL OF DEQ.

4. NO ACTIVITY THAT DISTURBS SOIL ON THE BROWNFIELDS PROPERTY MAY OCCUR UNLESS AND UNTIL DEQ STATES IN WRITING, IN ADVANCE OF THE PROPOSED ACTIVITY, THAT SAID ACTIVITY MAY OCCUR IF CARRIED OUT ALONG WITH ANY MEASURES DEO DEEMS NECESSARY TO ENSURE THE BROWNFIELDS PROPERTY WILL BE SUITABLE FOR THE USES SPECIFIED IN PARAGRAPH 1 ABOVE WHILE FULLY PROTECTING PUBLIC HEALTH AND THE ENVIRONMENT, EXCEPT

- A. IN CONNECTION WITH LANDSCAPE PLANTING TO DEPTHS NOT EXCEEDING 24 INCHES;
- B. MOWING AND PRUNING OF ABOVE-GROUND VEGETATION;

C. FOR REPAIR OF UNDERGROUND INFRASTRUCTURE, PROVIDED THAT DEQ SHALL BE GIVEN WRITTEN NOTICE AT LEAST SEVEN DAYS IN ADVANCE OF A SCHEDULED REPAIR (IF ONLY BY EMAIL) OF ANY SUCH REPAIR, OR IN EMERGENCY CIRCUMSTANCES NO LATER THAN THE NEXT BUSINESS DAY, AND THAT ANY RELATED ASSESSMENT AND REMEDIAL MEASURES REQUIRED BY DEQ SHALL BE TAKEN ; OR

D. IN ACCORDANCE WITH AN ENVIRONMENTAL MANAGEMENT PLAN (EMP) OR LIVING ENVIRONMENTAL MANAGEMENT PLAN (LEMP) AS OUTLINED IN PARAGRAPH 8.

5. NO USE, AS OUTLINED IN PARAGRAPH 1, OR OCCUPANCY OF THE BROWNFIELDS PROPERTY MAY OCCUR AFTER REDEVELOPMENT UNTIL THE THEN OWNER OF THE BROWNFIELDS PROPERTY CONDUCTS REPRESENTATIVE FINAL GRADE SOIL SAMPLING AND IF DEQ DEEMS NECESSARY AN ASSESSMENT OF RISK OF ANY AREA WITHIN THE BROWNFIELDS PROPERTY, PURSUANT TO A SPECIFIC PLAN, EMP, OR LEMP, APPROVED IN ADVANCE IN WRITING BY DEQ. AT A MINIMUM, THAT PLAN SHALL INCLUDE THE COLLECTION OF SOIL SAMPLES FROM THE ESTIMATED OR ACTUAL DEPTH OF SOIL TO BE CUT ALONG THE BROWNFIELDS PROPERTY FOR THE PURPOSES OF DOCUMENTING IMPACTS THAT MAY REMAIN AT THE SITE, AS WELL AS SURFICIAL SOIL SAMPLING.

6. NO ENCLOSED BUILDING MAY BE CONSTRUCTED ON THE BROWNFIELDS PROPERTY AND NO EXISTING BUILDING, DEFINED AS THOSE DEPICTED ON THE PLAT IN EXHIBIT B, HERETO, MAY BE OCCUPIED UNTIL DEQ DETERMINES IN WRITING THAT:

A. THE BUILDING IS OR WOULD BE PROTECTIVE OF THE BUILDING'S USERS, PUBLIC HEALTH AND THE ENVIRONMENT FROM RISK OF VAPOR INTRUSION BASED ON SITE ASSESSMENT DATA OR A SITE-SPECIFIC RISK ASSESSMENT APPROVED IN WRITING BY DEQ; OR

B. THE BUILDING IS OR WOULD BE SUFFICIENTLY DISTANT FROM THE BROWNFIELDS PROPERTY'S GROUNDWATER AND/OR SOIL CONTAMINATION BASED ON ASSESSMENT DATA APPROVED IN WRITING BY DEQ THAT THE BUILDING'S USERS, PUBLIC HEALTH AND THE ENVIRONMENT WILL BE PROTECTED FROM RISK FROM VAPOR INTRUSION RELATED TO SAID CONTAMINATION; OR

C. VAPOR INTRUSION MITIGATION MEASURES ARE INSTALLED AND/OR IMPLEMENTED TO THE SATISFACTION OF A PROFESSIONAL ENGINEER LICENSED IN NORTH CAROLINA, AS EVIDENCED BY SAID ENGINEER'S PROFESSIONAL SEAL ON A REPORT THAT INCLUDES PHOTOGRAPHS AND A DESCRIPTION OF THE INSTALLATION AND PERFORMANCE OF SAID MEASURES. ANY DESIGN SPECIFICATION FOR VAPOR INTRUSION MITIGATION MEASURES SHALL BE APPROVED IN WRITING BY DEQ IN ADVANCE OF INSTALLATION AND/OR IMPLEMENTATION OF SAID MEASURES. THE DESIGN SPECIFICATIONS SHALL INCLUDE METHODOLOGY(IES) FOR DEMONSTRATING PERFORMANCE OF SAID MEASURES.

7. SURFACE WATER AT THE BROWNFIELDS PROPERTY MAY NOT BE USED FOR ANY PURPOSE, OTHER THAN IN CONNECTION WITH LEGALLY COMPLIANT STORM WATER COLLECTION AND REUSE TECHNIQUES, WITHOUT THE PRIOR WRITTEN APPROVAL OF DEQ.

8. PHYSICAL REDEVELOPMENT OF THE BROWNFIELDS PROPERTY MAY NOT OCCUR OTHER THAN IN ACCORD, AS DETERMINED BY DEQ, WITH AN EMP OR LEMP APPROVED IN WRITING BY DEQ IN ADVANCE (AND REVISED TO DEQ'S WRITTEN SATISFACTION PRIOR TO EACH SUBSEQUENT REDEVELOPMENT PHASE) THAT IS CONSISTENT WITH ALL THE OTHER LAND USE RESTRICTIONS AND DESCRIBES REDEVELOPMENT ACTIVITIES AT THE BROWNFIELDS PROPERTY, THE TIMING OF REDEVELOPMENT PHASES, AND ADDRESSES HEALTH, SAFETY AND ENVIRONMENTAL ISSUES THAT MAY ARISE FROM USE OF THE BROWNFIELDS PROPERTY DURING CONSTRUCTION OR REDEVELOPMENT IN ANY OTHER FORM, INCLUDING WITHOUT LIMITATION:

A. SOIL AND WATER MANAGEMENT ISSUES, INCLUDING WITHOUT LIMITATION THOSE RESULTING FROM CONTAMINATION IDENTIFIED IN THE ENVIRONMENTAL REPORTS:

B. ISSUES RELATED TO POTENTIAL SOURCES OF CONTAMINATION REFERENCED IN EXHIBIT 2 OF EXHIBIT A, HERETO:

C. CONTINGENCY PLANS FOR ADDRESSING, INCLUDING WITHOUT LIMITATION THE TESTING OF SOIL AND GROUNDWATER, NEWLY DISCOVERED POTENTIAL SOURCES OF ENVIRONMENTAL CONTAMINATION (E.G., UNDERGROUND STORAGE TANKS, DRUMS, SEPTIC DRAIN FIELDS, OIL-WATER SEPARATORS, SOIL CONTAMINATION); AND

D. PLANS FOR THE PROPER CHARACTERIZATION OF, AND, AS NECESSARY, DISPOSAL OF CONTAMINATED SOILS EXCAVATED DURING REDEVELOPMENT.

9. BY JANUARY 31 OF EACH YEAR AFTER THE EFFECTIVE DATE OF THIS AGREEMENT FOR AS LONG AS PHYSICAL REDEVELOPMENT OF THE BROWNFIELDS PROPERTY CONTINUES (EXCEPT THAT THE FINAL DEADLINE SHALL FALL 90 DAYS AFTER THE CONCLUSION OF PHYSICAL REDEVELOPMENT), THE THEN OWNER OF THE BROWNFIELDS PROPERTY SHALL PROVIDE DEQ A REPORT SUBJECT TO WRITTEN DEQ APPROVAL ON ENVIRONMENT-RELATED ACTIVITIES SINCE THE LAST REPORT, WITH A SUMMARY AND DRAWINGS, THAT DESCRIBES:

A. ACTIONS TAKEN ON THE BROWNFIELDS PROPERTY IN ACCORDANCE WITH SECTION V: WORK TO BE PERFORMED OF EXHIBIT A HERETO;

B. SOIL GRADING AND CUT AND FILL ACTIONS;

C. METHODOLOGY(IES) EMPLOYED FOR FIELD SCREENING, SAMPLING AND LABORATORY ANALYSIS OF ENVIRONMENTAL MEDIA;

D. STOCKPILING, CONTAINERIZING, DECONTAMINATING, TREATING, HANDLING, LABORATORY ANALYSIS AND ULTIMATE DISPOSITION OF ANY SOIL, GROUNDWATER OR OTHER MATERIALS SUSPECTED OR CONFIRMED TO BE CONTAMINATED WITH REGULATED SUBSTANCES; AND

E. REMOVAL OF ANY CONTAMINATED SOIL, WATER OR OTHER CONTAMINATED MATERIALS (FOR EXAMPLE, CONCRETE, DEMOLITION DEBRIS) FROM THE BROWNFIELDS PROPERTY (COPIES OF ALL LEGALLY REQUIRED MANIFESTS SHALL BE INCLUDED).

10. NEITHER DEQ, 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 DEQ, 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.

Michael E. Scott, Direct Division of Waste Manag State of North Carolina County of Wake

11. ANY DEED OR OTHER INSTRUMENT CONVEYING AN INTEREST IN THE BROWNFIELDS PROPERTY SHALL CONTAIN THE FOLLOWING NOTICE: "THIS PROPERTY IS SUBJECT TO THE BROWNFIELDS AGREEMENT ATTACHED AS EXHIBIT A TO THE NOTICE OF BROWNFIELDS PROPERTY RECORDED IN THE MECKLENBURG COUNTY LAND RECORDS, BOOK _____, PAGE ____." A COPY OF ANY SUCH INSTRUMENT SHALL BE SENT TO THE PERSONS LISTED IN SECTION XV (NOTICES AND SUBMISSIONS) OF EXHIBIT A HERETO, THOUGH FINANCIAL FIGURES RELATED TO THE CONVEYANCE MAY BE REDACTED. PROSPECTIVE DEVELOPER MAY USE THE FOLLOWING MECHANISMS TO COMPLY WITH THE OBLIGATIONS OF THIS PARAGRAPH, SUBJECT TO THE TERMS AND CONDITIONS THAT DEQ MAY ESTABLISH IN SUCH APPROVAL: (IF EVERY LEASE AND RIDER IS IDENTICAL IN FORM, PROSPECTIVE DEVELOPER MAY PROVIDE DEQ WITH COPIES OF À FORM LEASE OR RIDER EVIDENCING COMPLIANCE WITH THIS PARAGRAPH, IN LIEU OF SENDING COPIES OF ACTUAL, EXECUTED LEASES, TO THE PERSONS LISTED IN SECTION XV (NOTICE AND SUBMISSIONS) OF EXHIBIT A HERETO; OR (II) PROSPECTIVE DEVELOPER MAY PROVIDE ABSTRACTS OF LEASES, RATHER THAN FULL COPIES OF SAID LEASES. TO THE PERSONS LISTED IN SECTION XV OF EXHIBIT A HERETO.

12. NONE OF THE CONTAMINANTS KNOWN TO BE PRESENT IN THE ENVIRONMENTAL MEDIA AT THE BROWNFIELDS PROPERTY, AS DESCRIBED IN EXHIBIT 2 OF EXHIBIT A HERETO, AND AS MODIFIED BY DEQ IN WRITING IF ADDITIONAL CONTAMINANTS IN EXCESS OF APPLICABLE STANDARDS ARE DISCOVERED AT THE BROWNFIELDS PROPERTY, MAY BE USED OR STORED AT THE BROWNFIELDS PROPERTY WITHOUT THE PRIOR WRITTEN APPROVAL OF DEQ, EXCEPT:

ACTIVITIES;

B. IN FLUIDS IN VEHICLES; AND

C. AS CONSTITUENTS OF PRODUCTS AND MATERIALS CUSTOMARILY USED AND STORED IN RESIDENTIAL ENVIRONMENTS, PROVIDED SUCH PRODUCTS AND MATERIALS ARE STORED IN ORIGINAL RETAIL PACKAGING AND USED AND DISPOSED OF IN ACCORDANCE WITH APPLICABLE LAWS.

13. WITHIN 60 DAYS AFTER THE EFFECTIVE DATE OF THIS AGREEMENT OR PRIOR TO LAND DISTURBANCE ACTIVITIES, PROSPECTIVE DEVELOPER SHALL ABANDON MONITORING WELLS, INJECTION WELLS, RECOVERY WELLS, PIEZOMETERS AND OTHER MAN_MADE POINTS OF GROUNDWATER ACCESS AT THE BROWNFIELDS PROPERTY, EXCEPT MW-10 IDENTIFIED ON THE PLAT OF EXHIBIT B HERETO, IN ACCORDANCE WITH SUBCHAPTER 2C OF TITLE 15A OF THE NORTH CAROLINA ADMINISTRATIVE CODE, UNLESS AN ALTERNATE SCHEDULE IS APPROVED BY DEQ. WITHIN 30 DAYS AFTER DOING SO, THE PROSPECTIVE DEVELOPER SHALL PROVIDE DEQ A REPORT, SETTING FORTH THE PROCEDURES AND RESULTS. THE MONITORING WELL MW-10, IF STILL PRESENT ON THE BROWNFIELDS PROPERTY, SHALL REMAIN OPEN UNTIL REDEVELOPMENT ACTIVITIES REQUIRE IT TO BE ABANDONED, AT WHICH POINT MW-10 MAY BE ABANDONED.

14. THE OWNER OF ANY PORTION OF THE BROWNFIELDS PROPERTY WHERE ANY EXISTING, OR SUBSEQUENTLY INSTALLED, DEQ-APPROVED MONITORING WELL IS DAMAGED BY THE OWNER, ITS CONTRACTORS, OR ITS TENANTS SHALL BE RESPONSIBLE FOR REPAIR OF ANY SUCH WELLS TO DEQ'S WRITTEN SATISFACTION AND WITHIN A TIME PERIOD ACCEPTABLE TO DEQ, UNLESS COMPLIANCE WITH THIS LAND USE RESTRICTION IS WAIVED IN WRITING BY DEQ IN ADVANCE. THIS INCLUDES THE REPLACEMENT OF MONITORING WELL MW-10 (PREVIOUSLY INSTALLED AT THE SITE BY DSCA) SHOULD IT NEED TO BE ABANDONED DURING REDEVELOPMENT ACTIVITIES IN COORDINATION WITH DEQ AND IF DEQ SO REQUIRES.

15. DURING JANUARY OF EACH YEAR AFTER THE YEAR IN WHICH THIS 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 DEQ, AND TO THE CHIEF PUBLIC HEALTH AND ENVIRONMENTAL OFFICIALS OF MECKLENBURG COUNTY, CERTIFYING THAT, AS OF SAID JANUARY 1ST, THE NOTICE OF BROWNFIELDS PROPERTY CONTAINING THESE LAND USE RESTRICTIONS REMAINS RECORDED AT THE MECKLENBURG 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, BOARD, ASSOCIATION, OR APPROVED ENTITY SUBMITTING THE LURU IF SAID OWNER OR EACH OF THE OWNERS ON WHOSE BEHALF THE JOINT LURU IS SUBMITTED ACQUIRED ANY PART OF THE BROWNFIELDS PROPERTY DURING THE PREVIOUS CALENDAR YEAR;

C. WHETHER ANY VAPOR BARRIER AND/OR MITIGATION SYSTEMS INSTALLED PURSUANT TO PARAGRAPH 6 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.

REQUIREMENTS IN PARAGRAPHS 21 AND 22 OF EXHIBIT A HERETO.

	FOR	THE PURP	OSES OF	N.C.G.S.	130A-310.35.
or gement	_				DATE

LAND USE RESTRICTIONS CONTINUED

A. IN DE MINIMIS QUANTITIES FOR CLEANING AND OTHER ROUTINE HOUSEKEEPING AND MAINTENANCE

A PROPERTY OWNERS' ASSOCIATION OR OTHER ENTITY MAY PERFORM THESE LURU DUTIES ON BEHAL OF SOME OR ALL OWNERS OF THE BROWNFIELDS PROPERTY. IF SAID ASSOCIATION OR ENTITY HAS ACCEPTED RESPONSIBILITY FOR SUCH PERFORMANCE PURSUANT TO A NOTARIZED INSTRUMENT SATISFACTORY TO DEQ THAT INCLUDES AT A MINIMUM. THE NAME, MAILING ADDRESS, TELEPHONE AND FACSIMILE NUMBERS, AND E-MAIL ADDRESS OF EACH OWNER ON WHOSE BEHALF THE LURU IS PROPOSED TO BE SUBMITTED.

D. WHETHER SOIL CAPS (HARDSCAPE MATERIALS, CLEAN SOIL, STONE) AND LANDSCAPING REQUIRED BY THE EMP OR LEMP OUTLINED IN PARÀGRAPH 8 ABOVE ARE BEING INSPECTED AND MAINTAINED TO PREVENT EROSION AND/OR HUMAN EXPOSURE TO CONTAMINATED SOIL OR OTHER MEDIA.

E. LURUS SUBMITTED FOR ANY PORTION OF THE BROWNFIELDS PROPERTY THAT CONTAINS RENTAL UNITS SHALL INCLUDE A LIST OF TENANTS AND THEIR ADDRESSES.

F. A LURU SUBMITTED FOR RENTAL UNITS SHALL INCLUDE THE RENT ROLL AND ENOUGH OF EACH LEASE ENTERED INTO DURING THE PREVIOUS CALENDAR YEAR TO DEMONSTRATE COMPLIANCE WITH LESSEE NOTIFICATION

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EXHIBIT B to Notice of Brownfields Property-SURVEY PLAT		HIGHLAND MILL #3-NORTH BREVARD STREET	TAX PARCEL # 083-078-08 MB 54 PG 159	LOCATED IN CITY OF CHARLOTTE MECKLENBURG COUNTY, NORTH CAROLINA	
FOR CURRENT OWNER	AND PROSPECTIVE DEVELOPER CCH-HIGHLAND MILL, LLC	TAX ID# 083-078-08 North Brevard Street		BROWNFIELDS PROJECT # 20037-16-060	
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EXHIBIT C METES AND BOUNDS DESCRIPTION HIGHLAND MILL #3 - NORTH BREVARD STREET

THAT CERTAIN PIECE, PARCEL OR TRACT OF LAND SITUATED IN CITY OF CHARLOTTE MECKLENBURG COUNTY, NORTH CAROLINA AND BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT A FOUND PK NAIL ON THE NORTHERN RIGHT OF WAY OF NORTH BREVARD STREET SAID STREET HAVING A 50' PUBLIC RIGHT OF WAY; THENCE WITH THE RIGHT OF WAY N 66-45-16 W 43.50 FEET TO A SET PK NAIL, THE POINT OF BEGINNING; THENCE CONTINUING WITH THE RIGHT OF WAY N 66-45-16 W 312.81 FEET TO A SET PK NAIL; THENCE LEAVING THE RIGHT OF WAY N 23-14-44 E 65.93 FEET TO A SET PK NAIL; THENCE WITH THE ARC CURVE TO THE RIGHT HAVING A RADIUS OF 15.00 FEET AN ARC LENGTH OF 23.53 FEET AND CHORD BEARING AND DISTANCE OF N 68-11-38 E 21.19 FEET TO A FOUND #4 REBAR; THENCE S 66-51-28 E 282.81 FEET TO A FOUND #4 REBAR; THENCE WITH THE ARC OF A CURVE TO THE RIGHT HAVING A RADIUS 15.00 FEET AN ARC LENTH OF 23.59 FEET AND A CHORD BEARING AND DISTANCE OF S 21-48-22 E 21.23 FEET TO A SET PK NAIL; THENCE S 23-14-44 W 66.44 FEET TO THE POINT OF BEGINNING CONTAINING 0.581 ACRES TOTAL AS SHOWN ON BROWNFIELDS SURVEY BY CHEVIS L. KING, NCPLS #5188, DATED 10-04-2016.