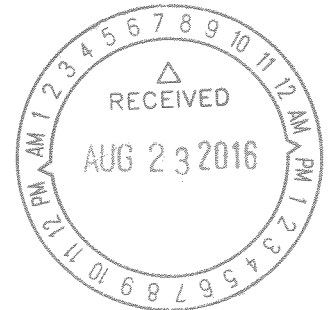


RUTHERFORD RAILROAD DEVELOPMENT CORPORATION
230 Spindale Street, Suite A
Spindale, NC 28160

August 17, 2016

Mr. David Ramey
North Carolina Department of
Environmental Quality
Division of Waste Management
Mooresville Regional Office
610 East Center Avenue
Suite 301
Mooresville, NC 28115



Re: STB Docket No. AB-567 (Sub-No. 2X)

Dear David:

Thank you for your October 15, 2015 letter regarding the above-referenced abandonment exemption of approximately 4.97 miles of rail line, together with a portion of the Bostic Spur, in Rutherford County, North Carolina (the "Property") owned by Rutherford Railroad Development Corporation ("RRDC"). As you know, the Surface Transportation Board ("STB") issued a decision on January 15, 2016 that allows RRDC to discontinue service and salvage track and related materials (the "Order"). The Order requires that, prior to commencement of salvage activities, RRDC consult with NCDEQ to determine if any known environmental contamination is present.

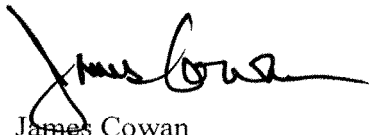
RRDC and its tenant, the Town of Forest City (the "Town"), are preparing to commence salvage activities at the Property. RRDC and the Town plan to work together and with other Property tenants to conduct these salvage activities. The Town plans on working with a consulting engineer to develop a Request for Proposal to remove the rails and cross ties. After their removal, the Town will begin to seek funds for a 12 foot paved, impermeable walking and biking trail in this corridor. The end result will be a more usable, people friendly space.

In undertaking the activities described above, the Town, pursuant to its lease with RRDC, intends to comply fully with applicable law and obtain all required permits. As you may know, several environmental reports have been prepared in connection with the National Environmental Policy Act process for the abandonment exemption, including the Combined Environmental & Historic Report of RRDC and the Environmental Assessment prepared by the STB which we have attached. None of these reports identified any known contamination on the Property. After reviewing the available environmental information, STB did not require the completion of a Phase I in the Order, but instead required RRDC to consult with NCDEQ prior to commencement of salvage activities to determine whether known environmental contamination exists at the Property. Based on the information that has been developed since your initial request, we are not aware of any known environmental contamination at the Property but

nonetheless want to consult with you to satisfy our obligations under the Order. Accordingly, if you are otherwise aware of any known contamination at the Property, please provide us with that information.

We would be happy to provide more information about the planned salvage activities or discuss them with you further if you would like.

Best regards,



James Cowan
Rutherford Railroad Development Corporation

Enclosures

cc: John Condrey, Town of Forest City (w/o enclosures)
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