



HORNWOOD, INC.
ISO 9001 REGISTERED

Mr. Claude Simon
VRTX, Inc.
71 Tonjes Rd.
Callicoon, NY 12723-5729

July 12, 2011

Dear Claude,

The purpose of this letter is to remind you that the lease on the Fairlane property expires on September 30, 2011 and to remind you there is a purchase option on the property. The purchase price would be \$595,000.00. If you do not plan to exercise the option, Kenny and I will start the process of liquidating the equipment and selling the building. We will bring some of the tricot machines to Lilesville and possibly bring one simplex machine. There are also some beams we would bring back. We will need to make arrangements to have water and power put in our name effective October 1.

We know you put a warper in the warehouse and also have other items stored on the property. We will be as reasonable as possible in giving you time to deal with those issues. We plan to offer the property to the Brawer Companies since they have New Generation and CS Carolina in the vicinity and may be looking for additional space. We have no idea if there is interest or how long it may take to sell the property.

We appreciate your willingness to lease the property over the last four years and wish you the best of luck in the future.

Sincerely,

Chuck Horne



Kenny Horne

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