

January 28, 2014



VIA CERTIFIED MAIL, RETURN RECEIPT REQUESTED

Ms. Shirley Liggins
N.C. Division of Waste Management
Brownfields Program
Mail Service Center 1646
Raleigh, NC 27699-1646

RE: 301 Fayetteville Street Brownfields Property – Land Use Restrictions Update

Dear Ms. Liggins:

Pursuant to Section 13(j) of the Brownfields Agreement (the "Agreement"), dated July 12, 2007, by and between the North Carolina Department of Environment and Natural Resources ("DENR") and Highwoods 301 Fayetteville St., LLC regarding the 301 Fayetteville Street project in Raleigh, North Carolina (the "Project"), enclosed please find the notarized Land Use Restrictions Update regarding the Project.

Please note that Highwoods 301 Fayetteville St., LLC, a Delaware limited liability company, was merged into Highwoods Realty Limited Partnership, a North Carolina limited partnership ("Realty"), on August 9, 2010. As a result, Realty is now the legal owner of the Project. We have noted the ownership change, as a result of the merger, on the Land Use Restriction Update.

Highwoods will submit the next Land Use Restrictions Update regarding the Project in January 2015. Please feel free to contact me at (919) 875-2048 if you have any questions.

Sincerely,

A handwritten signature in black ink that reads "Lisa Bene".

Lisa Bene
Development Analyst
Highwoods Properties

cc: Amos C. Dawson, III, Esq.



Brownfields Project #: 10015-06-92
Brownfields Property: 301 Fayetteville St., Raleigh, NC
Property Owner (In whole or part): Highwoods Realty Limited Partnership, a North Carolina limited partnership, successor by merger with Highwoods 301 Fayetteville St., LLC

LAND USE RESTRICTIONS (“LUR”) UPDATE

LUR 1: Without the Department of Environment and Natural Resources (“DENR”) prior written approval and as limited by the other Land Use Restrictions, no use may be made of the Brownfields Property other than for retail, office, banking/financial services, auto parking and multi-family, including condominium, residential purposes. For purposes of this restriction, the following definitions apply:

- i. “Retail” refers to the sale of goods, products or merchandise directly to the consumer.
- ii. “Office” refers to the conduct or rendering of business or professional services.
- iii. “Auto parking” refers to use of an area for the temporary accommodation of motor vehicles that has been designed and designated for such use.
- iv. “Multi-family residential” refers to permanent dwellings, such as condominiums, townhouses, apartments, penthouses and flats, where the dwelling units are individually owned, are attached to each other and share common walls, and where the areas outside the dwelling units are commonly used but not owned by the individual dwelling unit owners.

In compliance X Out of compliance _____

Remarks: _____

LUR 2: Surface water and underground water at the Brownfields Property may not be used for any purpose without the prior written approval of DENR.

In compliance X Out of compliance _____

Remarks: _____

LUR 3: No activities that encounter, expose, remove or use groundwater (for example, installation of water supply wells, fountains, ponds, lakes or swimming pools, or construction or excavation activities that use, encounter or expose groundwater) may occur on the Brownfields Property without prior sampling and analysis of groundwater to the written satisfaction of DENR in any areas proposed for such activities, and submittal of the analytical results to DENR. If such results disclose to DENR contamination in excess of North Carolina's groundwater quality standards, the proposed activities may not occur without the prior written approval of DENR on such conditions as DENR imposes, including at a minimum compliance with plans and procedures, approved pursuant to applicable law, to protect public health and the environment during the proposed activities.

In compliance X Out of compliance _____

Remarks: _____

LUR 4: Soil on the Brownfields Property may not be disturbed without a minimum of seven (7) business days advance written notice to DENR, unless DENR states otherwise in writing in advance. At any time between DENR's receipt of said notice and the conclusion of soil-disturbing activities, DENR may inspect and sample, or require sampling of, the subject soil for contaminants. If DENR determines that soil involved would likely contaminate groundwater even if capped, or may pose an imminent threat to public health or the environment if disturbed, as much soil as DENR reasonably requires shall be removed and disposed of, or treated, such that DENR is satisfied the Brownfields Property is suitable for the uses specified above in Land Use Restriction 1 while fully protecting public health and the environment, and any other actions that DENR reasonably requires to make the Brownfields Property suitable for the uses specified in the Brownfields Agreement ("Agreement") while fully protecting public health and the environment shall be taken. If DENR determines that the soil involved would not likely contaminate groundwater if capped, and would not likely pose an imminent threat to public health or the environment if disturbed, as much soil as DENR reasonably requires shall be: i) removed and disposed of, or treated, such that DENR is satisfied the Brownfields Property is suitable for the uses specified above in Land Use Restriction 1 while fully protecting public health and the environment, or ii) capped to the written satisfaction of DENR. Any person who conducts activities pursuant to this Land Use Restriction shall, within 30 days after completion of said activities, submit to DENR a report that fully documents the results of all assessment and remediation activities and that meets with DENR's written satisfaction.

In compliance X Out of compliance _____

Remarks: _____

LUR 5: No child daycare activities are permitted on or beneath the ground floor of any building on the Brownfields Property.

In compliance Out of compliance _____

Remarks: _____

LUR 6: No mining may be conducted on or under the Brownfields Property, including, without limitation, extraction of coal, oil, gas or any other minerals or non-mineral substances.

In compliance Out of compliance _____

Remarks: _____

LUR 7: No basements may be constructed on the Brownfields Property unless they are, as determined in writing by DENR, vented in conformance with applicable building codes.

In compliance Out of compliance _____

Remarks: _____

LUR 8: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those listed in the tables (2) in the Notice of Brownfields Property ("Notice"), may be used or stored at the Brownfields Property without the prior written approval of DENR, except in *de minimis* amounts for cleaning and other routine housekeeping activities.

In compliance Out of compliance _____

Remarks: _____

LUR 9: No party conducting environmental assessment or remediation at the Brownfields Property at the direction of, or pursuant to a permit or order issued by, DENR may be denied access to the Brownfields Property for purposes of conducting such assessment or remediation.

In compliance X Out of compliance _____

Remarks: _____

LUR 10: During January of each year after the year in which the Notice is recorded, the then current owner of any part of the Brownfields Property shall submit a notarized Land Use Restrictions Update to DENR certifying that the Notice remains recorded at the Wake County Register of Deeds office, that the Land Use Restrictions are being complied with, and that any assessment and/or remediation reports that were required to be submitted to DENR during the preceding year have been so submitted. Alternatively, the obligations of this Land Use Restriction may be discharged on behalf of some or all owners by an owners' association that satisfies DENR it is validly acting as agent for said owners, and that accepts responsibility for compliance with this Land Use Restriction pursuant to a notarized instrument satisfactory to DENR. A statement in a notarized copy of the master condominium documents for the Brownfields Property requiring the owners' association to submit the annual Land Use Restrictions Update shall suffice.

In compliance X Out of compliance _____

Remarks: _____

LUR 11: Due care shall be exercised at the Brownfields Property with respect to regulated substances and all local, State and federal laws and regulations regarding such substances shall be complied with. All persons who own or use any portion of the Brownfields Property shall cooperate fully with any assessment and/or remediation DENR conducts or approves at the Brownfields Property and shall not interfere with any such assessment and/or remediation. DENR shall, to the extent it can, consistent with its

responsibilities under applicable law, use reasonable efforts to minimize any interference with legal activities on the Brownfields Property caused by any such assessment and/or remediation. In the event Prospective Developer or any person who owns or uses any portion of the Brownfields Property becomes aware of any actual or threatened contamination at or emanating from the Brownfields Property, or encounters soil known to be contaminated or which exhibits characteristics that suggest it may be contaminated, or discovers a known or potential source of groundwater or soil contamination (for example, but not limited to, an orphaned underground storage tank) thereon, that person shall be responsible for immediately:

- i. taking all appropriate action to prevent, abate, or minimize such release or threat of release, or to mitigate any imminent risk to public health or the environment; and
- ii. notifying the DENR Brownfields Program of such actual or threatened contamination and complying with any applicable notification requirements under N.C.G.S. 130A-310.1 and 143-215.84, under Section 103 of CERCLA, 42 U.S.C. § 9603, and under any other law.

In compliance X Out of compliance ____

Remarks: _____

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

This Land Use Restrictions Update is certified by Highwoods Realty Limited Partnership, a North Carolina limited partnership, successor by merger with Highwoods 301 Fayetteville St., LLC, owner of at least part of the Brownfields Property.

In the case of owners that are entities:

Signature of individual signing: _____

Name typed or printed:

Michael E. Harris

Title:

Executive Vice President of Highwoods Properties, Inc., a Maryland corporation, which is the sole general partner of Highwoods Realty Limited Partnership, a North Carolina limited partnership, successor by merger with Highwoods 301 Fayetteville St., LLC, a Delaware limited liability company

In the case of all owners:

Date: January 28, 2014

Highwoods Realty Limited Partnership, a North Carolina limited partnership, successor by merger with Highwoods 301 Fayetteville St., LLC

By: Highwoods Properties, Inc., a Maryland Corporation, its sole general partner

By: [Signature]
Michael E. Harris,
Executive Vice President

ATTEST: [Signature]
Name typed or printed: Jeffrey D. Miller
Secretary

NORTH CAROLINA
Wake COUNTY

I, Sharon L. Wall, a Notary Public of the county and state aforesaid, certify that Jeffrey D. Miller personally came before me this day and acknowledged that he/she is the Secretary of Highwoods Properties, Inc., a Maryland corporation, as sole general partner of Highwoods Realty Limited Partnership, a North Carolina limited partnership, successor by merger with Highwoods 301 Fayetteville St. LLC, a Delaware limited liability company, and that by authority duly given and as the act of the corporation, the foregoing Notice of Brownfields Property was signed in its name by its Executive Vice President and attested by him/her as its Secretary.

WITNESS my hand and official stamp or seal, this 28th day of January, 2014 SU

[Signature]
Name:
Notary Public

My Commission expires: Sept. 9, 2018

