

February 24, 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: Blount Street Parking Deck Brownfields Property – Land Use Restrictions Update

Dear Ms. Liggins:

Pursuant to Section 13(j) of the Brownfields Agreement (the "Agreement"), dated May 7, 2010, by and between the North Carolina Department of Environment and Natural Resources ("DENR"), and Highwoods 301 Fayetteville St., LLC and the City of Raleigh regarding the 331 South Wilmington 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 cursive script that reads "Lisa Bene".

Lisa Bene
Development Analyst

cc: Amos C. Dawson, III, Esq.

Brownfields Project #: 11030-07-92

Brownfields Property: Blount Street Parking Deck, 331 South Wilmington Street,
Raleigh, NC

Property Owner (In whole or part):

City of Raleigh, a North Carolina municipal corporation (the "City") (Owner of Retail Unit 2 and Unit 1 Parking Unit); Highwoods Realty Limited Partnership, a North Carolina limited partnership ("Highwoods"), successor in interest by merger with Highwoods 301 Fayetteville LLC (Owner of Unit 2 Parking Unit); and Moore Builders, Inc., a North Carolina corporation ("Moore") (Owner of Retail Unit 1).



LAND USE RESTRICTIONS ("LUR") UPDATE

LUR 1: Without the Department of Environment and Natural Resources's ("DENR") prior written approval and as limited by the other LURs, no use may be made of the Brownfields Property other than for a multi-level auto parking deck and retail space. For purposes of this restriction, the following definitions apply:

- a. "Auto parking" refers to use of an area for the temporary accommodation of motor vehicles that has been designed and designated for such use.
- b. "Retail" refers to the sale of goods, products or merchandise directly to the consumer.

In compliance Out of compliance

Remarks: See letter from the City of Raleigh to DENR, dated November 21, 2013, attached hereto as Exhibit A and incorporated herein by reference.

See letter from the City of Raleigh to DENR, dated January 30, 2014, attached hereto as Exhibit B and incorporated herein by reference.

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 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 in LUR 1 above 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 in Land Use Restriction 1 above 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 Out of compliance _____

Remarks: _____

LUR 5: 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 6: 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 7: None of the contaminants known to be present in the environmental media at the Brownfields Property, including those listed in Tables A and B of 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, other routine housekeeping activities and emergency generator fuel.

In compliance Out of compliance _____

Remarks: _____

LUR 8: 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 Out of compliance

Remarks: _____

LUR 9: 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 conduct operations on or own 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 conducts operations on or owns any portion of the Brownfields Property becomes aware of any actual or threatened contamination at or emanating from the Brownfields Property, or encounters soil at the Brownfields Property 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:

- a. 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
- b. 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 Out of compliance

Remarks: _____

LUR 10: During January of each year after the year in which the Notice is recorded, the owner as of December 1st each year of any part of the Property shall submit a notarized Land Use Restrictions Update (“LURU”) to DENR, and to the chief public health and environmental officials of Wake County, certifying that the Notice containing these land use restrictions remains recorded at the Wake 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 submitting the LURU if said owner acquired any part of the Property during the previous calendar year.

- b. the transferee’s name, mailing address, telephone and facsimile numbers, and contact person’s e-mail address, if said owner transferred any part of the Property during the previous calendar year other than leases of parking spaces.

Moore Builders, Inc. (owner of Retail Unit 1 of the Blount Street Parking Deck), a North Carolina corporation, 5700 Baird Drive, Raleigh, NC 27606

Alternatively, a joint LURU may be submitted for multiple owners by a duly constituted owners’ association.

In compliance X Out of compliance _____

Remarks: _____

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

This Land Use Restrictions Update is certified by Blount Street Parking Deck Condominium Owners Association, Inc. on behalf of the City, Highwoods and Moore, each an owner of at least part of the Brownfields Property.

Signature and Notary Page
to
Land Use Restrictions Update (Brownfields Project #11030-07-92)

Name typed or printed of party making certification: Blount Street Parking Deck Condominium Owners Association, Inc.

In the case of owners that are entities:

Signature of individual signing: Randy Rabon
Name typed or printed: Randy Rabon
Title: Vice President

In the case of all owners:

Date: February 20, 2014

BLOUNT STREET PARKING DECK
CONDOMINIUM OWNERS ASSOCIATION,
INC., a North Carolina nonprofit corporation

By: Randy Rabon
Name typed or printed: Randy Rabon
Title typed or printed: Vice President

ATTEST:

Angel Bond
Name typed or printed: Angel Bond
Secretary, Blount Street Parking Deck Condominium Owners Association, Inc.

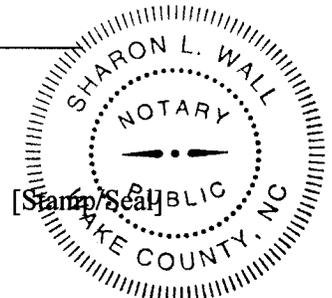
NORTH CAROLINA
Wake COUNTY

I, Sharon L. Wall, a Notary Public of the county and state aforesaid, certify that Angel Bond personally came before me this day and acknowledged that he/she is the Secretary of the Blount Street Parking Deck Condominium Owners Association, Inc., a North Carolina nonprofit corporation, and that by authority duly given and as the act of the corporation, the foregoing Land Use Restriction Update was signed in its name by its Vice President and attested by him/her as its Secretary.

WITNESS my hand and official stamp or seal, this 20th day of February, 2014.

Sharon L. Wall
Name: Sharon L. Wall
Notary Public

My Commission expires: Sept. 9, 2018





CITY ATTORNEY'S OFFICE

City Of Raleigh
NORTH CAROLINA

November 21, 2013

Tony Duque
N.C. Division of Waste Management
Brownfields Program
401 Oberlin Road, Suite 150
Raleigh, NC 27605

Mike Harris
Executive VP, COO
Highwoods 301 Fayetteville St., LLC
3100 Smoketree Court, Suite 600
Raleigh, NC 27604

RE: *Conveyance of interests in the Blount Street Parking Deck, Raleigh, Brownfields Agreement re: RBC Tower Parking Deck, 331 South Wilmington Street, Raleigh, Wake County, subject to Notice of Brownfields Property, recorded in Book 13934, Page 920, Wake County Registry*

Dear Mr. Duque and Mr. Harris:

On behalf of the City of Raleigh and in accordance with Section 20 of the above-referenced Brownfields Agreement, please find enclosed herein copies of legal instruments conveying interests in and to portions of the Blount Street Parking Deck (also known as the RBC Tower Parking Deck, 331 South Wilmington Street, Raleigh) in Raleigh, Wake County that are other than leases and subleases of only one (1) parking space. The enclosed legal instruments include the following:

- 1) Parking Facility Lease by and between the City of Raleigh and Edison Parking LLC, dated October 29, 2013;
- 2) Memorandum of Parking Lease by and between the City of Raleigh and Edison Parking LLC, dated October 29, 2013 and recorded in Book 15491, Page 2333, Wake County Registry;
- 3) Third Amendment to Amended and Restated Property Transfer, Development and Funding Agreement, by and between the City of Raleigh, Edison Land LLC, Progress Energy Service Company, LLC, and Highwoods Realty Limited Partnership, dated October 29, 2013;

ONE EXCHANGE PLAZA
1 EXCHANGE PLAZA, SUITE 1020
RALEIGH, NORTH CAROLINA 27601

CITY OF RALEIGH
POST OFFICE BOX 590 • RALEIGH
NORTH CAROLINA 27602-0590
(MAILING ADDRESS)

MUNICIPAL BUILDING
222 WEST HARGETT STREET
RALEIGH, NORTH CAROLINA 27601

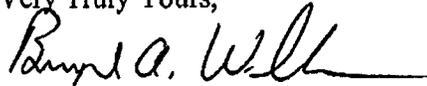
Printed on Recycled Paper

Tony Duque
Mike Harris
November 21, 2013
Page 2

- 4) Memorandum of Third Amendment to Amended and Restated Property Transfer, Development and Funding Agreement, by and between the City of Raleigh, Edison Land LLC, Progress Energy Service Company, LLC and Highwoods Realty Limited Partnership, dated October 29, 2013 and recorded in Book 15491, Page 2198, Wake County Registry;
- 5) Option to Purchase by and between the City of Raleigh, Highwoods Realty Limited Partnership and Edison Land LLC, dated October 29, 2013;
- 6) Memorandum of Option to Purchase by and between the City of Raleigh, Highwoods Realty Limited Partnership and Edison Land LLC, dated October 29, 2013 and recorded in Book 15491, Page 2493, Wake County Registry;
- 7) Amendment to Declaration of Condominium for Blount Street Parking Deck Condominium, by and between the City of Raleigh, Edison Land LLC, Progress Energy Service Company, LLC, Highwoods Realty Limited Partnership, and Blount Street Parking Deck Condominium Owners Association, Inc., dated October 29, 2013 and recorded in Book 15491, Page 2156, Wake County Registry;
- 8) Unified Development Agreement by and between Edison Land LLC, the City of Raleigh, Highwoods Realty Limited Partnership, and Blount Street Parking Deck Condominium Owners Association, Inc., dated October 29, 2013 and recorded in Book 15491, Page 2248, Wake County Registry;
- 9) Nondisturbance Agreement by and between the City of Raleigh and Skyhouse Raleigh, LLC, dated October 29, 2013 and recorded in Book 15491, Page 2360, Wake County Registry;
- 10) Nondisturbance Agreement by and between the Blount Street Parking Deck Condominium Owners Association, Inc. and Skyhouse Raleigh, LLC, dated October 29, 2013 and recorded in Book 15491, Page 2374, Wake County Registry

If you have any questions about the above or the attached documents, please do not hesitate to contact me.

Very Truly Yours,



Bradford A. Williams
Associate City Attorney

Enclosures

Tony Duque
Mike Harris
November 21, 2013
Page 3

cc: Gregg Sandreuter on behalf of Edison Parking and Edison Land (via e-mail without enclosures)
Ford Robertson on behalf of Edison Parking and Edison Land (via e-mail without enclosures)
Clay Howell on behalf of Skyhouse Raleigh, LLC (via e-mail without enclosures)
Gardiner Thompson on behalf of Skyhouse Raleigh, LLC (via e-mail without enclosures)
Cathy Rudisill on behalf of Progress Energy Service Company, LLC (via e-mail without enclosures)



CITY ATTORNEY'S OFFICE

City Of Raleigh
NORTH CAROLINA

January 30, 2014

Tony Duque
N.C. Division of Waste Management
Brownfields Program
1646 Mail Service Center
Raleigh, NC 27699

RE: *Conveyance of interests in a portion of the Blount Street Parking Deck, Raleigh, Brownfields Agreement re: RBC Tower Parking Deck, 331 South Wilmington Street, Raleigh, Wake County, subject to Notice of Brownfields Property, recorded in Book 13934, Page 920, Wake County Registry, Brownfields Project # 11030-07-92*

Dear Mr. Duque:

On behalf of the City of Raleigh and in accordance with Section 20 of the above-referenced Brownfields Agreement, please find enclosed herein copies of legal instruments associated with the closing on the sale to Moore Builders, Inc. of the retail space within the Blount Street Parking Deck (also known as the RBC Tower Parking Deck, 331 South Wilmington Street, Raleigh) that fronts on Wilmington Street, Raleigh, North Carolina and is otherwise known as Retail Unit 1. The enclosed legal instruments include the following:

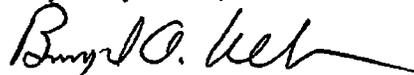
- 1) Amendment to Condominium Plans for Blount Street Parking Deck Condominium, recorded in Condominium Map Book 2008, Page 489, B4-B5, Wake County Registry;
- 2) Second Amendment to Declaration of Condominium for Blount Street Parking Deck Condominium, dated January 7, 2014, recorded in Book 15550, Page 2614, Wake County Registry;
- 3) Special Warranty Deed from the City of Raleigh to Moore Builders, Inc. for Retail Unit 1 in the Blount Street Parking Deck Condominium, dated January 7, 2014, recorded in Book 15550, Page 2756, Wake County Registry;

Tony Duque
January 30, 2014
Page 2

- 4) Quitclaim Deed from Highwoods Realty Limited Partnership to Moore Builders, Inc. for Retail Unit 1 in the Blount Street Parking Deck Condominium, dated January 7, 2014, recorded in Book 15550, Page 2763, Wake County Registry;
- 5) Special Warranty Deed from Highwoods Realty Limited Partnership to City of Raleigh for the "Future Parking Area," said Future Parking Area being a portion of the Unit 1 Parking Unit of the Blount Street Parking Deck Condominium, dated January 7, 2014, recorded in Book 15550, Page 2784, Wake County Registry;
- 6) Construction and License Agreement by and between the City of Raleigh, Highwoods Realty Limited Partnership and Moore Builders, Inc. dated January 7, 2014;
- 7) Partial Release by Regions Bank, deed of trust beneficiary, and the Fidelity Company, deed of trust trustee, of security interest in and to Retail Unit 1 of the Blount Street Parking Deck Condominium, dated January 9, 2014, recorded in Book 15555, Page 981, Wake County Registry;
- 8) Partial Release by Western-Southern Life Assurance Company and United of Omaha Life Insurance Company, deed of trust beneficiaries, of security interest in and to the "Associated Retail Space," a portion of Retail Unit 1, and the "Future Parking Area," a portion of the Unit 1 Parking Unit, all of the Blount Street Parking Deck Condominium, dated January 10, 2014, recorded in Book 15564, Page 2509, Wake County Registry.

If you have any questions about the above or the attached documents, please do not hesitate to contact me.

Very Truly Yours,



Bradford A. Williams
Associate City Attorney

Enclosures

cc: Sam Weathers on behalf of Moore Builders, Inc. (via e-mail without enclosures)
Cathy Rudisill on behalf of Progress Energy Service Company, LLC (via e-mail without enclosures)
Mike Harris on behalf of Highwoods Realty Limited Partnership (via e-mail without enclosures)