

December 3, 2012



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”), 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 2013. Please feel free to contact me at (919) 875-2048 if you have any questions.

Sincerely,



Lisa Bene
Development Analyst

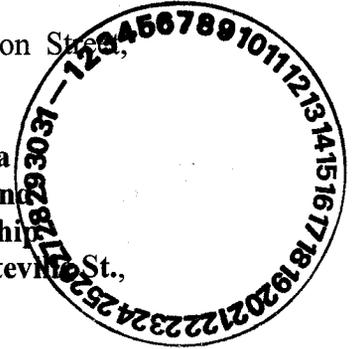
cc: Amos C. Dawson, III, Esq.

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") (Retail Unit and Unit 1 Parking Unit) and
Highwoods Realty Limited Partnership, a North Carolina limited partnership
("Highwoods"), successor in interest by merger with Highwoods 301 Fayetteville St.,
LLC (Unit 2 Parking Unit)



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 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: _____

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 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.

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

In compliance 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 and Highwoods, each an owner of at least part of the Brownfields Property.

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: 11-30-2012

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 Miller

ANGEL MILLER
Name typed or printed: Angel Miller

Secretary, Blount Street Parking Deck Condominium Owners Association, Inc.

NORTH CAROLINA
WAKE COUNTY

I, Nancy S. Hall, a Notary Public of the county and state aforesaid, certify that Angel Miller 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 30 day of
November, 2012.

Nancy S. Hall
Name:
Notary Public

My Commission expires: 7/5/17

