DRAFT FOR REVIEW

December 21, 2011

Christopher T. Tully
Regional Director - Asset Management
Intercontinental Real Estate Corporation
1270 Soldiers Field Road | Boston, MA 02135-1003

**Re: Housing Replacement Fee and Release of Performance Guarantee posted by Intercontinental Real Estate Corporation for the Riverwalk Development: including the Ocean Gateway Garage, 25 India Street, and “The Longfellow” (aka Watermark) Condominiums**

**(Id#2005-0271: CBL 019 A 00100, 19-A-014, 20-C-023, 20-C-009)**

Dear Mr. Tully,

According to your email of December 13, 2011 to Bill Needelman, you are requesting a complete release the performance guarantee held in escrow by the City for the above referenced project in Portland, Maine.

Pending a final inspection of the site to ensure that it is left in a clean and stable condition, the City will accommodate this request understanding that the City will hold:

$250,000 of the remaining performance guarantee to satisfy the requirements of the Housing Replacement Ordinance; and,

$35,000 for the finish paving of Hancock Street (Fore Street to Thames Street) and Thames Street (India Street to Hancock Street.)

The City will deposit these funds into the Housing Replacement Fund and City’s Public Infrastructure Fund respectively on the project’s behalf.

The balance of the performance guarantee totaling $---------- will be returned to Intercontinental according to the wiring instructions that you provided in your December 13 email.

Please indicate your consent to this course of action by signing this letter (in duplicate originals) on the line provided below and returning one original to Philip Dipierro in the Planning Division and retaining one copy for your records.

Should you have any questions, please telephone me (207) 874-8722) or Philip Dipierro (207) 874-8632.

Sincerely,

Greg Mitchell

Acting Director of the Department of Planning and Urban Development