



PORTLAND MAINE

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Executive Department
Joseph E. Gray, Jr., City Manager

September 23, 2008

William Caron, Manager
BAYCO LLC
Suite 600
465 Congress Street
Portland, ME 04101-3537

Re: BAYCO LLC Office Building and Garage Located at Somerset and Chestnut Streets in Portland, Maine (the "Project")

Dear Bill:

In connection with the Project, this letter will confirm my agreement on behalf of the City with regard to the following:

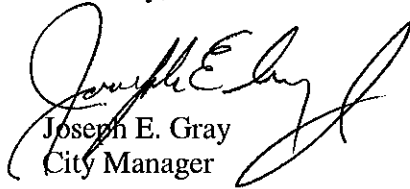
1. In order to keep spur development in this area of Bayside, the City hereby agrees to waive street opening fees for the installation of subsurface utility lines crossing Somerset Street, Elm Street and Chestnut Street in connection with the Project.
2. The City also agrees to waive fees for street occupancy on Somerset Street (one lane – Chestnut to Elm) for placement of temporary power lines, utilities installation, staging and other construction related activities, if the same is determined to be needed. This waiver also will include a waiver of any charges for lost parking meter revenues during the construction phase of the project for that portion of Somerset Street..
3. Because the placement of utility lines in Chestnut Street may precede by several months the expiration of the five-year opening moratorium for new streets, the City agrees to waive the moratorium and the permanent pavement restoration fee to permit the necessary installations in a cost effective and timely manner, so long as BAYCO completes the Chestnut Street surface restoration in a manner satisfactory to the City.

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Finally, this letter will confirm that the City anticipates installing final pavement surface in Somerset Street following the completion of the Project at a time when the City deems it appropriate.

Sincerely,

A handwritten signature in black ink, appearing to read "Joseph E. Gray". The signature is fluid and cursive, with a large initial "J" and a long, sweeping tail.

Joseph E. Gray
City Manager