

Demolition and Housing Replacement  
PERFORMANCE GUARANTEE  
LETTER OF CREDIT NO. 273

**November 15, 2013**

Jeffrey Levine  
Director of Planning and Urban Development  
City of Portland  
389 Congress Street  
Portland, Maine 04101

**Re: 409 Cumberland Avenue & Lighthouse Shelter Demolition**

**Bangor Savings Bank** ("Bank") hereby issues its Irrevocable Letter of Credit for the account of **Avesta Housing Development Corporation** ("Developer"), held for the exclusive benefit of the City of Portland ("City"), in the aggregate amount of **\$1,022,786.00**. These funds represent (1) the estimated cost of \$1,019,786.00 for the housing replacement fee applicable to the demolition of sixteen dwelling units if no replacement units are constructed; and (2) the estimated cost of \$3,000 for site stabilization (after demolition), as approved on or before 15 days after building demolition ("**Demolition Approval**") and as required under Portland Code of Ordinances Chapter 14.

This Letter of Credit is required under Portland Code of Ordinances Chapter 14 § 483(j) and is intended to satisfy the Developer's obligation, under Portland Code of Ordinances Chapter 14 to post a performance guarantee for the above referenced development.

The City, through its Director of Planning and Urban Development and in his/her sole discretion, may draw on this Letter of Credit by presentation of a sight draft and the Letter of Credit and all amendments thereto, if any, stating any one of the following:

1. Regarding Site Stabilization that the Developer has failed to satisfactorily stabilize the site as required by the City. The site shall be deemed stabilized when the demolition is complete as required by the Demolition Approval and the site is graded, loamed and seeded (with 80% vegetative coverage as confirmed by City staff).
2. Regarding housing replacement, that the Developer has failed to construct and/or convert sixteen dwelling units in the City of Portland, the aggregate size of which are no less than 80% of the size of the aggregate of the original units, and that otherwise comply with Chapter 14 §§ 483(g) & (h) of the Portland City Code.

After all work relating to site stabilization has been completed and inspected to the satisfaction of the Departments of Public Services, and Planning and Urban

Development, the City of Portland Director of Planning and Urban Development or its Director of Finance as provided in Chapter 14 of the Portland Code of Ordinances, may authorize the Bank, by written certification, to reduce the available amount of the escrowed money by \$3,000.00.

In the event of the Bank's dishonor of the City of Portland's sight draft, the Bank shall inform the City of Portland in writing of the reason or reasons thereof within three (3) business days of the dishonor.

This performance guarantee will automatically expire on **October 31, 2014** ("Expiration Date") or on the date when the City determines that all work guaranteed by this Letter of Credit is satisfactorily completed, whichever is later. The Housing Replacement Requirement shall be deemed satisfactorily completed upon the City's issuance of a Certificate of Occupancy of all 16 dwelling units. It is a condition of this Letter of Credit that it is deemed to be automatically extended without amendment for period(s) of one year each from the current Expiration Date hereof, or any future Expiration Date, unless within thirty (30) days prior to any expiration, the Bank notifies the City by certified mail (restricted delivery to Ellen Sanborn, Director of Finance, City of Portland, 389 Congress Street, Portland, Maine 04101) that the Bank elects not to consider this Letter of Credit renewed for any such additional period.

In the event that the Bank provides notice of its election to discontinue this Letter of Credit, the City, in its sole discretion, may draw hereunder by presentation of a sight draft drawn on the Bank, accompanied by this Letter of Credit and all amendments thereto, and a statement signed by the Director of Planning and Urban Development, at Bank's offices located at 280 Fore Street, Portland Maine stating that:

This drawing results from notification that the Bank has elected to discontinue its Letter of Credit No. 273.

Upon proper presentation of the foregoing on any business day to Bangor Savings Bank, 280 Fore Street, Portland, Maine, ATTN: Diane Donaldson, payment will be made to you in United States funds in the amount of your sight draft. Multiple draws are not permitted, but a presentation may be made for less than the full amount available.

This Letter of Credit sets forth in full the terms of our undertaking. We shall not be required or entitled to inquire as to the accuracy of any statement made as a prerequisite to payment or as to the authority of any person making such statement and may take the act of signing as conclusive evidence of such accuracy and authority.

This Letter of Credit is not transferable.

This Letter of Credit shall be governed by the Uniform Customs and Practices for Documentary Credits, 2007 revision, International Chamber of Commerce Publication No. 600 ("UCP"). As to matters not governed by the internal laws of the State of Maine (without regard to conflicts of law provisions).

BANGOR SAVINGS BANK

Date: 11/15/2013

By: Diane Donaldson

Diane Donaldson  
Vice President  
Its Duly Authorized Agent