

Form # P 04

DISPLAY THIS CARD ON PRINCIPAL FRONTAGE OF WORK CITY OF PORTLAND

BUILDING DEPARTMENT PERMIT

Permit Number: 041507

Please Read
Application And
Notes, If Any,
Attached

This is to certify that Niche Properties/n/a
has permission to Condominium conversion; for 3 units of 3 condominiums.
AT 276 State St 048 D011001

provided that the person or persons, firm or corporation accepting this permit shall comply with all of the provisions of the Statutes of Maine and of the ordinances of the City of Portland regulating the construction, maintenance and use of buildings and structures, and of the application on file in this department.

Apply to Public Works for street line and grade if nature of work requires such information.

Notification of inspection must be given and written permission procured before this building or part thereof is laid or closed-in. **HEAVY NOTICE IS REQUIRED.**

A certificate of occupancy must be procured by owner before this building or part thereof is occupied.

OTHER REQUIRED APPROVALS

Fire Dept. [Signature]
Health Dept. _____
Appeal Board _____
Other _____
DepartmentName

[Signature] 10/15/04
Director - Building Inspection Services

PENALTY FOR REMOVING THIS CARD

City of Portland, Maine - Building or Use Permit Application

389 Congress Street, 04101 Tel: (207) 874-8703, Fax: (207) 874-8716

Permit No: 04-1507	Issue Date:	CBL: 048 D011001
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Location of Construction: 276 State St	Owner Name: Niche Properties	Owner Address: 276 State St	Phone: 207-415-0707
Business Name:	Contractor Name:	Contractor Address:	Phone:

			Zone: R-2
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Past Use: Multi Family / 3 Units <i>legal use, 3 family dwellings</i>	Condominium conversion; from 3 units to 3 condominiums.	\$675.00 / \$0.00	2
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FIRE DEPT: <input checked="" type="checkbox"/> Approved <input type="checkbox"/> Denied	INSPECTION: Use Group: R-2 Type: 55 10/5/04
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Proposed Project Description: Condominium conversion; from 3 units to 3 condominiums.	Signature: <i>[Signature]</i>	Signature: <i>[Signature]</i>
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PEDESTRIAN ACTIVITIES DISTRICT (P.A.D.)

Action: <input type="checkbox"/> Approved <input type="checkbox"/> Approved w/Conditions <input type="checkbox"/> Denied
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Signature:	Date:
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Permit Taken By: gg	Date Applied For: 10/06/2004	Zoning Approval		
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Special Zone or Reviews	Zoning Appeal	Historic Preservation
<input type="checkbox"/> Shoreland	<input type="checkbox"/> Variance	<input type="checkbox"/> Not in District or Landmark
<input type="checkbox"/> Wetland	<input type="checkbox"/> Miscellaneous	<input type="checkbox"/> Does Not Require Review
<input type="checkbox"/> Flood Zone	<input type="checkbox"/> Conditional Use	<input type="checkbox"/> Requires Review
<input type="checkbox"/> Subdivision	<input type="checkbox"/> Interpretation	<input type="checkbox"/> Approved
Maj <input type="checkbox"/> Minor <input type="checkbox"/> MM <input type="checkbox"/>	<input type="checkbox"/> Denied	<input type="checkbox"/> Approved w/Conditions
Date: <i>10/13/04</i>	Date:	Date: <i>work requires</i>

Any exterior work requires a separate review and approval

CERTIFICATION

I hereby certify that I am the owner of record of the named property, or that the proposed work is authorized by the owner of record and that I have been authorized by the owner to make this application as his authorized agent and I agree to conform to all applicable laws of this jurisdiction. In addition, if a permit for work described in the application is issued, I certify that the code official's authorized representative shall have the authority to enter all areas covered by such permit at any reasonable hour to enforce the provision of the code(s) applicable to such permit.

SIGNATURE OF APPLICANT _____ ADDRESS _____ DATE _____ PHONE _____

RESPONSIBLE PERSON IN CHARGE OF WORK, TITLE _____ DATE _____ PHONE _____

City of Portland, Maine - Building or Use Permit

389 Congress Street, 04101 Tel: (207) 874-8703, Fax: (207) 874-8716

Permit No: 04-1507	Date Applied For: 10/06/2004	CBL: 048 D011001
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Location of Construction: 276 State St	(Owner Name): Niche Properties	Owner Address: 276 State St	Phone: 207-415-0707
Business Name: n/a	Contractor Name: n/a	Contractor Address: n/a Portland	Phone:
Lessee/Buyer's Name: n/a	Phone: n/a	Permit Type: Change of Use - Condo Conversion	

Proposed Use: Condominium conversion; from 3 units to 3 condominiums.	Proposed Project Description: Condominium conversion; from 3 units to 3 condominiums.
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Dept: Zoning **Status:** Approved with Conditions **Reviewer:** Marge Schmuckal **Approval Date:** 10/13/2004
Note: **Ok to Issue:**

1) PLEASE NOTE: Under the City's Condominium conversion regulations, **A) BEFORE** a developer offers to convey a converted unit, a conversion permit shall be obtained. B) Rent may not be altered during the official noticing period unless expressly provided in a preexisting written lease. C) For a sixty (60) day period following the notice of intent to convert, the tenant has an exclusive and irrevocable option to purchase during which time the developer may not convey or offer to convey the unit to any other person. D) The developer shall post a copy of the permit in a conspicuous place in each unit, and shall make copies available to prospective purchasers upon request. E) If a tenant is eligible for tenant relocation payments, they **SHALL** be paid a CASH PAYMENT BEFORE the tenant is required to vacate.

2) ANY exterior work requires a separate review and approval thru Historic Preservation. This property is located within a Historic District.

3) This is **NOT** an approval **for** an additional dwelling unit. You **SHALL NOT** add any additional kitchen equipment including, but not limited to items such as stoves, microwaves, refrigerators, or kitchen sinks, etc. Without special approvals.

4) This property shall remain a three (3) family dwelling condominium with the issuance of this permit. Any change of use shall require a separate permit application for review and approval.

5) This permit is being approved on the basis of plans submitted. Any deviations shall require a separate approval before starting that work.

Dept: Building **Status:** Approved with Conditions **Reviewer:** Mike Nugent **Approval Date:** 10/15/2004
Note: **Ok to Issue:**

1) No Construction is authorized, just a change in ownership.

Dept: Fire **Status:** Approved **Reviewer:** Lt. MacDougal **Approval Date:** 10/14/2004
Note: **Ok to Issue:**

Lambert Coffin

attorneys at law

October 5, 2004

Karen F. Shanahan, Paralegal
kshanahan@lambertcoffin.com

Marge Schmuckal
Zoning Administrator
City of Portland
389 Congress Street
Portland, Maine 04101

VIA HAND DELIVERY

RE: Niche Properties, LLC
276 State Street, Portland, Maine

Dear Ms. Schmuckal:


Enclosed please find a completed Condominium Conversion Application for the above-referenced applicant and property. This conversion consists of interior cosmetic upgrades with a few exterior improvements such as new stairs, porch and bulkhead replacement; for which a permit has already been issued to Donald M. Peterson. There will be no change to the number of units currently within the dwelling.

Additionally, by way of ownership, the property was conveyed by Donald M. Peterson to Niche Properties, LLC in September, 2004. Mr. Peterson is the sole member of Niche Properties, LLC, and had acquired the property in December, 1999.

Finally, as you can see, the notices were sent to the tenants of the building in March, 2004. We were aware of the requirement of the notices by statute, and responded accordingly. However, we were not aware of the fact that an application had to be made to the City of Portland. Therefore, you will see the date of the notices to the tenants pre-date the application. Furthermore, none of the units have been sold.

If you have any questions or require further information for the processing of the permit, please contact me at (207) 874-4000. Thank you, in advance, for your consideration of this application.

Very truly yours,


Karen F. Shanahan
Paralegal

/kfs

cc: Donald M. Peterson
Gary D. Vogel, Esq.

477 Congress Street, Post Office Box 15215, Portland, Maine 04112-5215

Submit with Condominium Conversion Permit Application

Project Data:

Address: 276 State Street, Portland, Maine

C-B-L: 48-D-11

Number of units in building: 3

Unit	Tenant name	Tenant tel. #	occup. length	Date of notice	eligible for \$?
Unit 1	Lisa Konopka Susannah Buckley-Green		Since 8/15/03	3/31/04	No - did not present financial info
Unit 2	Alexandra Rundel Matthew Fox		Since 4/1/03	3/31/04	Yes-paid
Unit 3	(Owner) Donald Peterson		N/A	N/A	N/A
Unit 4					
Unit 5					
Unit 6					
Unit 7					
Unit 8					

If more units, submit same information on all units

Since 9/3/04. NOTE: Donald Peterson has

Length of time building owned by applicant owned since 12/30/99. Donald Peterson conveyed to Niche Properties, LLC on 9/3/04 (Donald Peterson is sole member of LLC)

Are any building improvements, renovations, or modifications being made associated with this conversion that requires a building, plumbing, electrical, or heating permit? YES x * NO _____ (check one)

*Permit already issued to Donald Peterson for exterior repairs

Type and cost of building improvements associated with this conversion that do not require permits:

\$ 16,000 exterior walls, windows, doors, roof, new downspouts, trim paint

\$ _____ insulation

\$ 22,000 interior cosmetics (walls/floors/ hallways refinishing, etc.)

\$ _____ other (specify)

**CONDOMINIUM CONVERSION PERMIT
CITY OF PORTLAND, MAINE
PART III: PROJECT DATA**

1. Assessors reference, Chart, Block, Lot: 48-D-11
2. Number of Units before conversion: 3
- _____ Units with 1 bedroom 3 Units with 2 bedrooms
- _____ Units with 3 or more bedrooms
3. Monthly rent range (specify with or without utilities, being specific about the utilities)
\$1,000-\$1,100 (tenant pays electric, trash removal, hot water, telephone and cable TV)
-
4. Number of Units after conversion: 3
- _____ Units with 1 bedroom 3 Units with 2 bedrooms
- _____ Units with 3 or more bedrooms
5. Purchase Price range: \$207,000 - 55,000
6. Length of time building owned by applicant: One month by applicant; 4.5 years by Sole Member of applicant
7. Improvements, renovations or modifications being made in association with this conversion will require the following permits (please circle all that apply):
- Building** Plumbing Heating Electrical
8. Type and cost of building improvements being made in association with this conversion that will not require permits:
- \$ 16,000 exterior walls, **windows**, doors, roof, **new** downspouts, **trim** paint
- \$ _____ insulation
- \$ 22,000 interior cosmetic (wall/floor refinishing, etc.)
- \$ _____ other (please specify) _____
-
- \$ 0.00 no improvements being made

DONALD M. PETERSON
276 State Street, #3
Portland, Maine 04101

March 31, 2004

Lisa Konopka
276 State Street, #1
Portland, ME 04101

HAND DELIVERED

RE: Notice of Intent to Convert Apartment #1 at 276 State Street to a Condominium and
Notice of Option to Purchase Apartment #1

Dear Lisa:

120) The purpose of this letter is to advise you that I have decided to convert the building at 276 State Street, Portland, Maine, including your apartment, Unit 1, into condominiums. In accordance with the requirements of the City of Portland's Condominium Conversion Ordinance and in accordance with the provisions of the Maine Condominium Act, I am providing you with this written notice of my intent to convert the apartment into a condominium. **As** set forth below, you are also being provided with **an** option to purchase the Condominium Unit if you so elect. In the event that you do not elect to purchase the condominium, you will be required to vacate the apartment at the end of your Lease term on July 31, 2004. This notice shall also constitute notice that your Lease that ends on July 31, 2004 will not be renewed. If you would like to terminate your lease effective May 31st or June 30, 2004, I am willing to do so without penalty, provided I receive 30 days advance written notice from you and your roommate.

Option to Purchase: I hereby grant to you the option to purchase your apartment **as** a Condominium Unit in its present condition for the sum of Two Hundred Thirty Thousand (\$230,000.00). I will be making certain improvements to the exterior of the building.

The Option to Purchase granted hereby is exclusive to you and your roommate Susannah Buckley-Green and may not be assigned. If you intend to exercise the option to purchase, you must provide me with written notice of your intent to exercise the option on or before May 31, 2004 and enter into a written contract to purchase the Condominium Unit for the sum of Two Hundred Thirty Thousand (\$230,000.00) Dollars upon completion of the conversion of the building into condominiums. The contract for purchase of the Condominium Unit shall also require that you pay an initial capital assessment to the Condominium Association, in an amount equal to two (2) months condominium assessments, which Assessments, have yet to be determined. If you have an interest in purchasing the Condominium Unit, please notify me and I would be happy to discuss with you the specific contract terms, the exterior work that I will be performing and provide you with a set of condominium documents for your review. If you do not intend to purchase the condominium unit, I would appreciate it if you would sign the

enclosed waiver of the option to purchase. The option to purchase will expire on May 31, 2004, whether or not the waiver is signed.

If you do not buy your apartment, as developer, I am required by law to assist you in finding another place to live and determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by me as the developer, you may contact the Building Inspection Division, Department of Planning and Urban Development of the City of Portland at Portland City Hall, 389 Congress Street, Portland, Maine 04101 (telephone: 874-8703). ✓

If you request assistance in finding another place to live, please notify me in writing and I shall provide assistance to you in the form of referrals to other landlords or referrals to other reasonable accommodations and assistance in determining your eligibility for relocation payments.

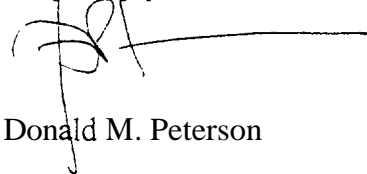
Under applicable law, relocation payments in an amount equal to the amount of your last two months rent are available if the total aggregate household income of you and your roommate, Susannah Buckley-Green, do not exceed \$40,150. Please feel free to contact me and provide me with income information for you and Susannah Buckley-Green that will be held confidential if you would like me to assist you in determining your eligibility for relocation payments.

Your roommate, Susannah Buckley-Green, is also being provided with a Notice and Option to Purchase. As roommates, Notice of Intent to Convert and the termination of your tenancy is effective with respect to both roommates. The Option to Purchase may be exercised by both tenants or either, if only one of you elects to purchase the Unit. The relocation payments in an amount equal to two month's rent will be made payable jointly to you and Susannah Buckley-Green if the combined household income of you and Susannah Buckley-Green does not exceed the limit set forth above.

Please be advised that this Notice constitutes a notice of termination of your Lease at the end of the term on July 31, 2004 in the event that you do not elect to exercise your option to purchase as set forth herein.

Please feel free to contact me if you would like to discuss further any of the matters set forth in this Notice.

Very truly yours,



Donald M. Peterson

WAIVER OF OPTION TO PURCHASE

I have elected not to purchase my apartment as a condominium unit as set forth in a notice from Donald Peterson to me dated May 31, 2004 (the "Notice") **and** waive all rights to purchase the condominium as set forth in the Notice.

Lisa Konopka

Date:

DONALD M. PETERSON
276 State Street, #3
Portland, Maine 04101

March 31, 2004

Susannah Buckley-Green
276 State Street, #1
Portland, ME 04101

HAND DELIVERED

RE: Notice of Intent to Convert Apartment #1 at 276 State Street to a Condominium and
Notice of Option to Purchase Apartment #1

Dear Susannah:

The purpose of this letter is to advise you that I have decided to convert the building at 276 State Street, Portland, Maine, including your apartment, Unit 1, into condominiums. In accordance with the requirements of the City of Portland's Condominium Conversion Ordinance and in accordance with the provisions of the Maine Condominium Act, I am providing you with this written notice of my intent to convert the apartment into a condominium. As set forth below, you are also being provided with an option to purchase the Condominium Unit if you so elect. In the event that you do not elect to purchase the condominium, you will be required to vacate the apartment at the end of your Lease term on July 31, 2004. This notice shall also constitute notice that your Lease that ends on July 31, 2004 will not be renewed. If you would like to terminate your Lease effective May 31st or June 30, 2004, I ~~am~~ ^{am} willing to do so without penalty, provided I receive 30 days advance written notice from you and your roommate.

Option to Purchase: I hereby grant to you the option to purchase your apartment as a Condominium Unit in its present condition for the sum of Two Hundred Thirty Thousand (\$230,000.00). I will be making certain improvements to the exterior of the building.

The Option to Purchase granted hereby is exclusive to you and your roommate Lisa Konopka and may not be assigned. If you intend to exercise the option to purchase, you must provide me with written notice of your intent to exercise the option on or before May 31, 2004 and enter into a written contract to purchase the Condominium Unit for the sum of Two Hundred Thirty Thousand (\$230,000.00) Dollars upon completion of the conversion of the building into condominiums. The contract for purchase of the Condominium Unit shall also require that you pay an initial capital assessment to the Condominium Association, in an amount equal to two (2) months condominium assessments, which Assessments, have yet to be determined. If you have an interest in purchasing the Condominium Unit, please notify me and I would be happy to discuss with you the specific contract terms, the exterior work that I will be performing and provide you with a set of condominium documents for your review. . If you do not intend to purchase the condominium unit, I would appreciate it if you would sign the

enclosed waiver of the option to purchase. The option to purchase will expire on May 31, 2004, whether or not the waiver is signed.

If you do not buy your apartment, as developer, I am required by law to assist you in finding another place to live and determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by me as the developer, you may contact the Building Inspection Division, Department of Planning and Urban Development of the City of Portland at Portland City Hall, 389 Congress Street, Portland, Maine 04101 (telephone: 874-8703). ✓

If you request assistance in finding another place to live, please notify me in writing and I shall provide assistance to you in the form of referrals to other landlords or referrals to other reasonable accommodations and assistance in determining your eligibility for relocation payments.

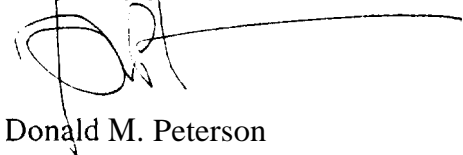
Under applicable law, relocation payments in an amount equal to the amount of your last two months rent are available if the total aggregate household income of you and your roommate, Lisa Konopka, do not exceed \$40,150. Please feel free to contact me and provide me with income information for you and Lisa Konopka that will be held confidential if you would like me to assist you in determining your eligibility for relocation payments.

Your roommate, Lisa Konopka, is also being provided with a Notice and Option to Purchase. As roommates, Notice of Intent to Convert and the termination of your tenancy is effective with respect to both roommates. The Option to Purchase may be exercised by both tenants or either, if only one of you elects to purchase the Unit. The relocation payments in an amount equal to two month's rent will be made payable jointly to you and Lisa Konopka if the combined household income of you and Lisa Konopka does not exceed the limit set forth above.

Please be advised that this Notice constitutes a notice of termination of your Lease at the end of the term on July 31, 2004 in the event that you do not elect to exercise your option to purchase as set forth herein.

Please feel free to contact me if you would like to discuss further any of the matters set forth in this Notice.

Very truly yours,

A handwritten signature in black ink, appearing to read 'DP', with a long horizontal line extending to the right.

Donald M. Peterson

WAIVER OF OPTION TO PURCHASE

I have elected not to purchase my apartment **as** a condominium unit as set forth in a notice from Donald Peterson to me dated May 31, 2004 (the "Notice") and waive all rights to purchase the condominium **as** set forth in the Notice.

Susannah Buckley-Green

Date:

DONALD M. PETERSON
276 State Street, #3
Portland, Maine 04101

March 31, 2004

Alexandra Rundel
276 State Street, #2
Portland, ME 04101

HAND DELIVERED

RE: Notice of Intent to Convert Apartment #2 at 276 State Street to a Condominium and
Notice of Option to Purchase Apartment #2

Dear Alexandra:

The purpose of this letter is to advise you that I have decided to convert the building at 276 State Street, Portland, Maine, including your apartment, Unit 2, into condominiums. In accordance with the requirements of the City of Portland's Condominium Conversion Ordinance and in accordance with the provisions of the Maine Condominium Act, I am providing you with this written notice of my intent to convert the apartment into a condominium. As set forth below, you are also being provided with an option to purchase the Condominium Unit if you so elect. In the event that you do not elect to purchase the condominium, you will be required to vacate the apartment on July 31, 2004. This notice shall also constitute notice that your Lease that ends on June 30, 2004 will not be renewed, but that you will be allowed to remain in possession as a tenant at will for the month of July, 2004, if you so elect, and pay rent at the current monthly rate for the month of July. If you do not exercise your option to purchase and would like to move out at the end of the Lease term on May 31, 2004 or on June 30, 2004, you may do so without penalty, provided you give me written notice of your intent to vacate the apartment at the end of the Lease, which notice should be received at least 30 days in advance of May 31st or June 30, 2004, as applicable.

Option to Purchase: I hereby grant to you the option to purchase your apartment as a Condominium Unit in its present condition for the sum of Two Hundred Forty Thousand (\$240,000.00). I will be making certain improvements to the exterior of the building.

The Option to Purchase granted hereby is exclusive to you and your roommate Matthew Fox and may not be assigned. If you intend to exercise the option to purchase, you must provide me with written notice of your intent to exercise the option on or before May 31, 2004 and enter into a written contract to purchase the Condominium Unit for the sum of Two Hundred Forty Thousand (\$240,000.00) Dollars upon completion of the conversion of the building into condominiums. The contract for purchase of the Condominium Unit shall also require that you pay an initial capital assessment to the Condominium Association, in an amount equal to two (2) months condominium assessments, which

Assessments, have yet to be determined. If you have an interest in purchasing the Condominium Unit, please notify me and I would be happy to discuss with you the specific contract terms, the exterior work that I will be performing and provide you with a set of condominium documents for your review. If you do not intend to purchase the condominium unit, I would appreciate it if you would sign the enclosed waiver of the option to purchase. The option to purchase will expire on May 31, 2004, whether or not the waiver is signed.

If you do not buy your apartment, as developer, I am required by law to assist you in finding another place to live and determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by me as the developer, you may contact the Building Inspection Division, Department of Planning and Urban Development of the City of Portland at Portland City Hall, 389 Congress Street, Portland, Maine 04101 (telephone: 874-8703). ✓

If you request assistance in finding another place to live, please notify me in writing and I shall provide assistance to you in the form of referrals to other landlords or referrals to other reasonable accommodations and assistance in determining your eligibility for relocation payments.

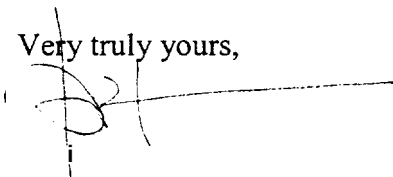
Under applicable law, relocation payments in an amount equal to the amount of your last two months rent are available if the total household income of you and your roommate, Matthew Fox, do not exceed \$40,150. Please feel free to contact me and provide me with income information for you and Matthew Fox that will be held confidential if you would like me to assist you in determining your eligibility for relocation payments.

Your roommate, Matthew Fox, is also being provided with a Notice and Option to Purchase. As roommates, Notice of Intent to Convert and the termination of your tenancy is effective with respect to both roommates. The Option to Purchase may be exercised by both tenants or either, if only one of you elects to purchase the Unit. The relocation payments in an amount equal to two month's rent will be made payable jointly to you and Matthew Fox if the combined household income of you and Matthew Fox does not exceed the limit set forth above.

Please be advised that this Notice constitutes a notice to terminate your tenancy at the end of the extended term ending on July 31, 2004 in the event that you do not elect to exercise your option to purchase as set forth herein.

Please feel free to contact me if you would like to discuss further any of the matters set forth in this Notice.

Very truly yours,

A handwritten signature in black ink, appearing to read 'D. Peterson', with a long horizontal line extending to the right.

Donald M. Peterson

WAIVER OF OPTION TO PURCHASE

I have elected not to purchase my apartment **as** a condominium unit as set forth in a notice from Donald Peterson to me dated May 31, 2004 (the "Notice") and waive all rights to purchase the condominium **as** set forth in the Notice.

Alexandra Rundel

Date:

DONALD M. PETERSON
276 State Street, #3
Portland, Maine 04101

March 31, 2004

Matthew Fox
276 State Street, #2
Portland, ME 04101

HAND DELIVERED

RE: Notice of Intent to Convert Apartment #2 at 276 State Street to a Condominium and
Notice of Option to Purchase Apartment #2

Dear Matthew:

✓
The purpose of this letter is to advise you that I have decided to convert the building at 276 State Street, Portland, Maine, including your apartment, Unit 2, into condominiums. In accordance with the requirements of the City of Portland's Condominium Conversion Ordinance and in accordance with the provisions of the Maine Condominium Act, I am providing you with this written notice of my intent to convert the apartment into a condominium. As set forth below, you are also being provided with an option to purchase the Condominium Unit if you so elect. In the event that you do not elect to purchase the condominium, you will be required to vacate the apartment on July 31, 2004. This notice shall also constitute notice that your Lease that ends on June 30, 2004 will not be renewed, but that you will be allowed to remain in possession as a tenant at will for the month of July, 2004, if you so elect, and pay rent at the current monthly rate for the month of July. If you do not exercise your option to purchase and would like to move out at the end of the Lease term on May 31, 2004 or on June 30, 2004, you may do so without penalty, provided you give me written notice of your intent to vacate the apartment at the end of the Lease, which notice should be received at least 30 days in advance of May 31st or June 30, 2004, as applicable.

Option to Purchase: I hereby grant to you the option to purchase your apartment as a Condominium Unit in its present condition for the sum of Two Hundred Forty Thousand (\$240,000.00). I will be making certain improvements to the exterior of the building.

The Option to Purchase granted hereby is exclusive to you and your roommate Alexandra Rundel and may not be assigned. If you intend to exercise the option to purchase, you must provide me with written notice of your intent to exercise the option on or before May 31, 2004 and enter into a written contract to purchase the Condominium Unit for the sum of Two Hundred Forty Thousand (\$240,000.00) Dollars upon completion of the conversion of the building into condominiums. The contract for purchase of the Condominium Unit shall also require that you pay an initial capital assessment to the Condominium Association, in an amount equal to two (2) months condominium assessments, which Assessments, have yet to be determined. If you have an interest in purchasing the Condominium Unit, please notify me and I would be happy to discuss

with you the specific contract terms, the exterior work that I will be performing and provide you with a set of condominium documents for your review. If you do not intend to purchase the condominium unit, I would appreciate it if you would sign the enclosed waiver of the option to purchase. The option to purchase will expire on May 31, 2004, whether or not the waiver is signed.

If you do not buy your apartment, as developer, I am required by law to assist you in finding another place to live and determining your eligibility for relocation payments. If you have questions about your rights under the law, or complaints about the way you have been treated by me as the developer, you may contact the Building Inspection Division, Department of Planning and Urban Development of the City of Portland at Portland City Hall, 389 Congress Street, Portland, Maine 04101 (telephone: 874-8703). L

If you request assistance in finding another place to live, please notify me in writing and I shall provide assistance to you in the form of referrals to other landlords or referrals to other reasonable accommodations and assistance in determining your eligibility for relocation payments.

Under applicable law, relocation payments in an amount equal to the amount of your last two months rent are available if the total household income of you and your roommate, Alexandra Rundel, do not exceed \$40,150. Please feel free to contact me and provide me with income information for you and Alexandra Rundel that will be held confidential if you would like me to assist you in determining your eligibility for relocation payments.

Your roommate, Alexandra Rundel, is also being provided with a Notice and Option to Purchase. As roommates, Notice of Intent to Convert and the termination of your tenancy is effective with respect to both roommates. The Option to Purchase may be exercised by both tenants or either, if only one of you elects to purchase the Unit. The relocation payments in an amount equal to two month's rent will be made payable jointly to you and Alexandra Rundel if the combined household income of you and Alexandra Rundel does not exceed the limit set forth above.

Please be advised that this Notice constitutes a notice to terminate your tenancy at the end of the extended term ending on July 31, 2004 in the event that you do not elect to exercise your option to purchase as set forth herein.

Please feel free to contact me if you would like to discuss further any of the matters set forth in this Notice.

Very truly yours,

Donald M. Peterson

WAIVER OF OPTION TO PURCHASE

I have elected not to purchase my apartment as a condominium unit as set forth in a notice from Donald Peterson to me dated May 31, 2004 (the "Notice") and waive all rights to purchase the condominium **as** set forth in the Notice.

Matthew **Fox**

Date: