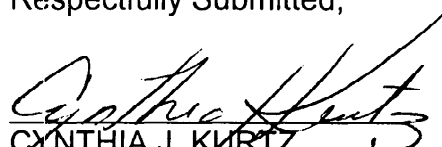


As contemplated, rent will be slightly less than currently paid and the first increase will not begin until the second year. The agreement also provides the City may lease up to thirty parking spaces at the prevailing rates, currently set at \$65 per month for single unreserved parking spaces and \$100 per month for reserved parking spaces. Based upon a survey of comparable competing buildings, these rates are at market levels.

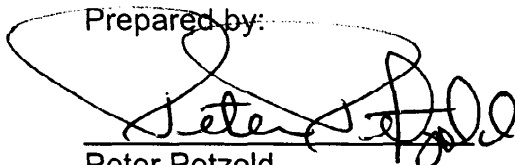
FISCAL IMPACT

Under the proposed agreement, rent will continue at slightly less than the current rate, and the landlord will provide up to \$75,000 in refurbishment costs. Savings during the first year of the Lease extension will be approximately \$10,500 below the budgeted amount.

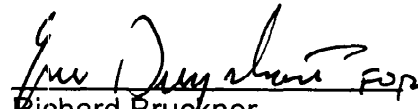
Respectfully Submitted,


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