

Office of
the Mayor
Burlington,
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MEMORANDUM

To: Burlington City Council

From: Bob Kiss, Mayor

Re: Burlington Telecom/Negotiations with CitiCapital

Date: July 2, 2010

Greetings.

We have reached an agreement with CitiCapital, whereby the City is not obligated to make rental payments under the Lease Agreement until September 30, 2010. CitiCapital has the right to access the remainder of the escrow account during this forbearance period while we continue negotiations on restructuring the lease.

This agreement is important. It defers the City's obligation to make a determination of appropriation for funding in the FY11 budget for payments on the lease and it resolves the August payment due to CitiCapital. Moreover, it is an indication that CitiCapital is taking the time to carefully consider this matter and the restructuring parameters introduced by Dorman & Fawcett. Please remember that these restructuring parameters remain confidential as part of ongoing negotiations with CitiCapital.