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2.06 The use of all the facilities as hereinafter set forth shall be rent free other than the District's paying its proportionate cost of maintenance, utilities, and custodial service costs for the use of the gymnasium, showers, lockers, and tennis courts excluding the auditorium facilities. The consideration for the City's permitting the District to use the premises rent free is that the District is selling the premises to the City for less than fair market value.

ARTICLE 3

OPTION TO RENEW

3.01 The District as set forth in paragraph 2.01 of this agreement is entitled to lease the premises for fifty years in three-year increments subject to the following notice requirements:

(a) For the first term of the renewal even though it is less than a three-year period, the District shall give notice prior to June 30, 1980, to the City as provided - Article 12 of the Sale and Purchase Agreement of its intention to renew the lease for an additional three year period commencing June 30, 1980, and ending on June 30, 1983.

(b) The District or its successor in interest may, at its option, cause the lease to be renewed for an additional three-year period by giving the City notice 60 days prior to July 1 of its intention to extend the lease as hereinafter set forth for an additional three-year period.

(c) The District shall give the City notice as provided above for each successive three-year period thereafter prior to June 30 the third year of each succeeding three-year period.

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(d) If the District fails to give notice to the City of its intention to exercise its option to renew this lease for an additional three-year period on or before June 30 of the third year of three-year period, the City shall give written notice to the District as provided - Article 12 of the Sale and Purchase Agreement and the District shall be granted an additional thirty days from June 30 to exercise its option to renew the lease.

(e) If the City does not give notice as set forth in (d) above then it shall be presumed that the District and the City have agreed that the District has exercised its option to extend the lease for an additional three-year period.

ARTICLE 4

THE USE OF THE AUDITORIUM FACILITIES

4.01 The District shall have priority use of the auditorium for a period of ten days during the school term as set forth above on the condition that the District shall give the City notice as provided in Article 12 of the Sales and Purchase Agreement of the ten days it intends to use the auditorium on or before June 30 of each year.

ARTICLE 5

USE OF THE GYMNASIUM, SHOWERS

LOCKERS AND TENNIS COURTS

5.01 The District shall have the right to use the gymnasium, showers, lockers, and tennis courts of the Pier Avenue School for two consecutive hours during the school day and during the school term as defined in 2.02.