



April 2023

**Susan Montenegro**  
**City Administrator/City of Lathrop Village**  
**Site: 310966**

Dear Susan,

As a follow-up to our conversation, I am providing a recap of background information and a proposal.

In most cases, Cell Carriers originated these leases. It was never their intention to add additional carriers to any site. They wanted to control the competition. Carriers subsequently determined that they no longer wanted to be in the Tower business and have divested most of their assets to Tower companies through portfolio sales or management agreements.

American Tower along with other Tower companies focus on those sites that are marketable to other tenants. Assets are most viable if they house more than one tenant and if the lease terms are favorable to marketing attempts. With a reduced number of carriers to which we can market due to mergers and acquisitions, it is critical to make every site attractive to tenants.

As a result of this shift, American Tower is re-evaluating its portfolio in conjunction with network engineers to review which communications facilities are likeliest to remain active in the network. The focus is on reducing expenses, streamlining operations, and optimizing each site. Those leases that are “optimized” will be prioritized for the future. My goal is to make this site lease as attractive as possible to both American Tower, the cell carrier tenants, and of course you as landowner. This is done to increase the site’s potential for long term revenue generation.

American Tower would like keep this site in its long-term portfolio with the goal of retaining the current tenants and increasing marketability to other tenants. The 2 major hindrances to security and marketing are the lack of a Right of First Refusal and the current provision which requires us to secure a signed document from the City if we want to add a tenant.

The amendments to this lease we would like to request are:

- Add a Right of First Refusal: A right of first refusal (RoFR) would be specific to those companies who are solely in business to buy leases for resale. It would not prohibit the sale of property or the sale of the lease itself to anyone. It would simply give American Tower the mechanism to match, should you accept, an offer to buy the lease from one of the aggregators companies.
- The removal of the formal requirement to secure the City’s “consent” for a subtenant. This clears the path for marketing, allowing us to tell a potential tenant that they can move forward without any administrative hindrances. It in no way removes any of the responsibilities for securing permits or doing any of the structural analysis. All those things must still be done, and we of course can provide notice of any onsite changes and set a fixed fee for any sub-tenant.
- Adding 3 5 year term options (optional)
- Changing the CPI escalator to a Fixed 3% escalation
- Signing Bonus of \$10,000

The addition of these items via an amendment helps to optimize the lease for the future. We do have financial incentives for your cooperation. Most importantly, it can help secure the revenue potential for the City as American Tower determines which sites will remain long term.

As I mentioned, and as we had asked previously, sites that are not fully optimized are usually asked for a Rent Reduction to keep the site financially viable and provide us with the time required to continue a more difficult marketing effort.

We can offer a \$10,000 one-time payment for execution of the amendment that covers these issues. In addition, we can establish a future payment for any new co-locator on site. We can state that it will match the payment being made for the current co locators... (approx. 1725 per month at present)

When again reviewing the lease, I noticed that a previous amendment had changed the number of options for terms available, which affected the end date of the Lease It is actually 2/1/2043. With that in mind we would also request the addition of 3 more 5 year options. This will get the lease in sync with other leases as we hope to have all with expiration dates beyond 2055. The last item I mentioned was to request that we change the CPI escalator to a fixed amount. CPI calculations are a nightmare for our accounting department and highly subject to error. We propose a fixed 3% escalation. Industry standard is now only 2% but I believe with the other optimizations I can secure approval at 3%

We request your cooperation to partner with us in this solution which would help keep the site off a portfolio review list and help ensure the long-term viability of this lease.

American Tower Legal would draft the amendment and we then present to you for review and the approval process on your end.

Best Regards,  
**Laurene**

**Laurene Franklin**  
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*\*\*PLEASE NOTE: Offers subject to change, with required final approval by American Tower, and are for discussion purposes only. The parties will not be bound in any respect until and unless a written agreement is signed by all.*