



Crown Castle
1220 Augusta Dr. #500
Houston, TX 77057

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March 7, 2012

Mr. Joe Kohlmann, City Administrator
City of Tonka Bay
4901 Manitou Road
Excelsior, MN 55331

Re: Cell Tower Site MN043445

Location: 5605 Manitou Road

Dear Joe:

Thank you for speaking with me regarding the tower site on your property! I represent a company called Crown Castle, Inc. Crown Castle is the largest cell tower owner in the United States. Crown owns over 22,000 cell towers and continues to expand their portfolio.

Crown is interested in your property. Crown proposes to acquire your leases with Sprint and Cellnet in exchange for an easement. This is not a sale of your land and there is no deed or title transfer. This proposal is for an easement similar to those used by public utility companies. The term of the easement would be for 40 years and the use of the easement is exclusive to the communication facility.

Two Primary Options are available to you: a "lump sum" option where the purchase price is paid at closing, as described in Option 1 below; or an installment option where monthly or annual installment payments are paid over time as described in Option 2 and Option 3 below. The proposed purchase price for each option is subject to verification of the monthly rental amounts received on the subject property through lease agreements, amendments, and rental payment stubs.

Option 1:

Purchase price of **\$550,000** paid in a lump sum at closing.

Option 2:

Purchase price of **\$700,000.00** paid in 60 consecutive monthly payments of \$11,250.00 over a 5 year period with a down payment of \$25,000.00 paid at closing.

Option 3:

Purchase price of **\$860,000.00** paid in 120 consecutive monthly payments of \$ 6,958.33 over a 10 year period with a down payment of \$ 25,000.00 paid at closing.

****This offer is valid for 30 days.***

To understand the benefits of this type of easement, consider a discussion with a local tax advisor. Below we can list a few benefit considerations for your discussions:

- ❖ Payments are normally taxed as capital gains.
- ❖ Retain your ability to sell or subdivide your property.
- ❖ Financial security and flexibility.
- ❖ Options to pursue a 1031 Exchange

A lump sum or installment plan can eliminate some of the risk associated with your lease, such as changes in technology and industry consolidation. Regardless of what might occur, the money would be secure for the future.

The length of the installment term and the size of the down payment can be tailored to your specific situation. Installment plans are available from 5 to 20 years. I believe that I have touched on everything for your upcoming meeting. We also take care of all closing costs, with exception of your attorney's review.

I appreciate your consideration of this offer and will follow-up with you to answer any questions you may have. In the meantime, please feel free to contact me directly at (612) 961-3456 or jmarceau@lyleco.com

Sincerely,



John C. Marceau
Real Estate Portfolio Manager
jmarceau@lyleco.com
Ph: 612-961-3456

This proposal is for discussion purposes only. The parties will not be bound in any respect until and unless a Letter Agreement is signed by all parties.