

CITY OF GREENFIELD - ANALYSIS OF TOWER RENTAL OPTIONS								
						ILLUSTRATION ONLY		
	CURRENT CONTRACT TERMS	OPTION 1 30 YR	OPTION 2 50 YR	OPTION 3 32 YR		AMERICAN 20 YR	AMERICAN 30 YR	AMERICAN 50 YR
<b>LUMP SUM PAYMENTS</b>		390,000	550,000	100,000		50,000	50,000	50,000
MONTHLY RENT	\$924.57					\$ 6,000	\$ 6,000	\$ 6,000
ANNUAL RENT	11,095	\$ .	\$ .	\$ 23,000		\$ 72,000	\$ 72,000	\$ 72,000
ESCALATOR / YR	3.0%					3.0%	3.0%	3.0%
<b>ANNUAL RENT - YR 20</b>						126,252	169,673	306,448
ANNUAL RENT - YR 30	26,930		YEAR 32	23,000				
ANNUAL RENT - YR 50	48,639							
<b>GROSS RENT OVER 20 YRS</b>						1,984,667	3,475,430	8,171,374
GROSS RENT OVER 30 YRS	554,772		YEAR 32	836,000				
GROSS RENT OVER 30 YRS	1,300,102							
<b>NPV OF GROSS RENT - 20 YRS (@ 3%)</b>					NPV 20 YR	1,490,000	2,210,000	3,650,000
NPV OF GROSS RENT - 30 YRS (@ 3%)	343,940	\$ 390,000	NPV 32 YR	568,942	COMPARE W/ EVEREST		390,000	550,000
NPV OF GROSS RENT - 50 YRS (@ 3%)	\$ 565,837		\$ 550,000		AMERICAN BENEFIT (30-50 YR)		\$ 1,820,000	\$ 3,100,000

**CONCLUSION:**  
 AMERICAN HAS THE BEST OFFER - HANDS DOWN! THE EVEREST OFFERS ARE REALLY NO BETTER THAN THE CITY'S CURRENT CONTRACT TERMS.  
 AMERICAN OFFER CAN BE RENEGOTIATED IN 20 YEARS. 20 YR GROSS REVENUE EXCEEDS 30 & 50 YR ALTERNATIVE OPTIONS FROM EVEREST.

**In order to make the above calculations on a more “apples to apples” comparison, I extended the American offer from 20yrs to 30yrs and 50yrs in the illustration above (in the 2 right hand, shaded columns). Assuming that the American offer stayed on the same terms for 30 to 50 years, the 30 yr net present value benefit would amount to \$1.8M and the 50 yr benefit \$3.1M as compared with the Everest 30 and 50 yr Options.**

### CITY OF GREENFIELD - ANALYSIS OF TOWER RENTAL OPTIONS

	CURRENT	OPTION 1 30 YR 390,000	OPTION 2 50 YR 550,000	OPTION 3 32 YR 100,000
LUMP SUM PAYMENTS				
MONTHLY RENT	\$924.57	↑	↑	↑
ANNUAL RENT	11,095	\$ -	\$ -	\$ 23,000
ESCALATOR / YR	3.0%			
ANNUAL RENT - YR 30	26,930		YEAR 32	23,000
ANNUAL RENT - YR 50	48,639			
GROSS RENT OVER 30 YRS	554,772		YEAR 32	836,000
GROSS RENT OVER 30 YRS	1,300,102			
NPV OF GROSS RENT - 30 YRS (@ 3%)	343,940		NPV 32 YR	568,942
NPV OF GROSS RENT - 50 YRS (@ 3%)	565,837			

**CONCLUSION:**

THE NET PRESENT VALUE OF OPTION 3 EXCEEDS THE NET PRESENT VALUE OF OPTIONS 1 OR 2.

OPTION 1 IS SLIGHTLY BETTER THAN THE CURRENT CONTRACT AMOUNTS

OPTION 2 IS SLIGHTLY LESS THAN THE CURRENT CONTRACT AMOUNTS

**OPTION 3 APPEARS TO BE THE BEST ALTERNATIVE, PLUS IT CAN BE RE-NEGOTIATED IN 32 YEARS (INSTEAD OF 50 YRS UNDER OPTION 2.**

NOTE: THE ANALYSIS ABOVE DID NOT INCLUDE POTENTIAL INTEREST EARNINGS ON THE UP-FRONT CONTRIBUTIONS.