

BALDWIN TOWNSHIP SPECIAL MEETING

October 3, 2013

Present – Supervisors Jay Swanson, Kimberly Good, Larry Handshoe, Tom Rush and Randy Atwood.

Call to Order – The October 3, 2013 Baldwin Township special meeting was called to order by Chairman Jay Swanson at 7:00 p.m.

Pledge of Allegiance – All present recited the Pledge of Allegiance.

Discuss Cell Tower Issues with Robert Vose, Attorney, Kennedy & Graven – Kennedy & Graven attorney Robert Vose said that in his view the cell tower issue is unprecedented, and it has been found that the current tenant hasn't done everything correctly. Usually when a cell tower company does things incorrectly they try to make it right; obviously that is not what is going on in this instance. Vose mistakenly thought that a few letters would be written to rectify the problem; obviously in the case it has not gone as expected.

In 2005 St. Cloud Wireless came in to provide wireless services to the area. The township never consented to any changes.

Vose suggested raising the rate to the current market rate which is \$25,000/year for the metro area and \$21,000/year for the Baxter area. He suggests starting at \$18,000/year for this area. He had first communicated to their low level person but now it has progressed to a local law firm in Minneapolis where the attorney is known to be a "leasing guru". Now we have the full picture of what is going on but no progress. We are at a too low of a rate right now. Initially the lease went from St. Cloud Wireless and then was transferred through corporate hands several times. Good questioned if our lease disallowed that. Vose replied that if the lease was assigned you had to be notified in advance and approve it. It is common for cell tower owners to mess it up. Their response has been that the lease has not changed corporate hands and they never assigned the lease. That was the initial issue. The other issue is that they now have subleased the site. Now a company that just owns the tower, just a landlord and not a wireless provider, are subleasing to other companies. The landlord typically wants a piece of the action of the subleasing. In 2005 the township was faced with a company who wanted to provide the service. The whole deal has fundamentally changed. We are at a point now where he would advise the township to consent to everything, approve the transfers and subleases. Recommendation is to say fine, but we need a new lease and we need more rent. They are selling rights to our property. Put on the table with the potential that if it is not worked out it will go to litigation. It has to start with an eviction action to have all their equipment removed.

The risk in taking a hard line is that they will leave, although Vose said that has never happened in his experience. Their leverage is that they are currently paying the

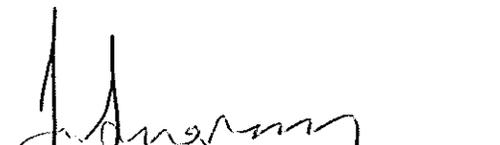
township something. This lease contemplates this arrangement. St. Cloud Wireless was going to use the tower to provide cell service. SBA is subleasing to other companies. They are saying they have waived their ability because the township is receiving money; therefore they are saying it is irrelevant. Vose said that he feels the township has been wronged. Swanson questioned if the township should agree to forgive and go with a new lease. Vose replied that it would be the township's call. Swanson stated that it should be renegotiated or decided what the new lease will say and do that before the township agrees to all what has happened. Good suggested adding that they agree to pay attorney fees. Vose stated he is thinking about \$18,000/year and a new lease with the company keeping their current subtenants with the subtenants at a price. Atwood questioned if there is any recourse for back pay with Vose replying that the township is not legally entitled to it. The current contract does not say legal fees paid. Start with a financial package.

Swanson stated he would prefer going along with what Vose says with the township willing to agree with foregoing the past, but with a new lease. Atwood stated litigation free if possible. Vose stated that the best approach would be that the township consent subject to the increase in rent and a signed lease. Good stated they need to admit they made a mistake. Atwood asked what that would prove. Vose stated that the fact that they have asked for township consent is good. Discussion regarding outside companies buying the lease with Vose stating that it would always be a bad deal.

Adjourn – Handshoe/Good unanimous to adjourn at 7:52 p.m.



Submitted By: (s/) Cathy Stevens
Clerk/Treasurer
Baldwin Township



Approved By: (s/) Jay Swanson
Chairman, Board of Supervisors
Baldwin Township

11-4-2013

Date

Attendees: Robert Vose, Chuck Nagle