

## PLN TELECOM, INC.

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July 21, 2020

Town of Apple Valley  
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Apple Valley, CA 92307

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To Whom it May Concern,

My name is Paul Nussbaum, the owner and President of PLN Telecom, Inc. ("PLN Telecom"), the company responsible for the successful construction of the first Verizon Wireless ("Verizon") cell Tower on the Apple Valley Golf Course back in 2014 ("Tigertail"), in which Apple Valley (the "Town") 'partnered' with and has shared in rental income for the last six years.

On May 26, 2020, the Apple Valley Town Council ("AVTC") held a scheduled Town meeting and was presented with a contract by Verizon to approve a lease for the construction and operation of a second cell tower at the Apple Valley Golf Course ("Second Lease"). In response to an earlier letter provided from my legal counsel informing the AVTC of various potential breaches of the Town's contractual obligations should such Second Lease be approved, the AVTC decided not to vote on the item at the meeting and determined that further information was required before making a final decision.

Almost two months have passed since that time and to date I have not received any responses from either a representative of Town's administration or its legal counsel at Best, Best and Krieger, LLP ("BBK"). Direct calls to BBK have not been returned. It raises serious concerns when so much time goes by and there is no communication between the parties, especially given my repeated offers to find an amicable resolution to this matter. If the Town is trying in good faith to amicably resolve this issue, it would be prudent for all parties to speak to one another to find a simple solution to the issue which would avoid further delay and expense.

Given such lack of communication from the Town and its counsel, I reached out directly to Verizon to get their position on this matter and have had multiple discussions regarding the circumstances behind the matter along with providing equitable solutions. On June 3, 2020, I submitted one such equitable proposal to Verizon. Within such proposal, PLN Telecom offered to construct the second tower on Verizon's behalf and setup a similar type of arrangement with the Town that currently exists with the Tigertail tower. As of July 1st, I have been told that there is no update and my proposal is still under consideration.

Before I continue to address the current situation, I would like to take a moment and remind everyone of how we got here and why I am particularly concerned about where things stand today. Nearly 7 years ago, it came to my attention from a few Town administration staff members that the Town and Verizon were not on good terms and there were some issues regarding the potential construction and lease related to a cell tower sought to be built on the Town's Golf Course. As is my nature, I generally try to resolve complicated issues and problems so I inquired with the Town if it would be okay to reach out to Verizon in an effort to find a solution. I was told by the Town at that time that it was believed to be a lost cause but to proceed with such discussions. After a very brief conversation with Verizon, I realized that the problem was not insurmountable rather the parties had become extremely negative toward one another which was creating the bulk of the problem. I offered to intervene and become the 'mediator' whereby PLN Telecom would be assigned the conditional use permit granted to Verizon and we would sign a ground lease with the Town to construct this first tower and lease it to Verizon. Today, the Tigertail Tower has been active

on the Town's Golf Course for six years without a single registered complaint to my knowledge. One other very important point is that prior to going to construction on the tower, I requested that the height of the tower be increased from 75' to 85' in order to accommodate future tenants wanting to go on the tower. This required obtaining a variance from the planning commission as well as additional capital expenditure on my part for which the Town would equally benefit. The deal that I essentially struck with the Town was a 50/50 public-private partnership whereby we would share equally in the income from the Tigertail tower (the "Partnership"). As part of the lease documentation and in recognition of PLN Telecom's efforts to resolve the prior dispute between the parties, the Town and Verizon each contractually agreed not to circumvent PLN Telecom in the construction of any future telecommunication towers on the Town's Golf Course.

Even beyond the financial partnership with the Town, I always made myself available when it came to helping out the staff with various telecom matters because I truly treated our relationship as a partnership. For example, when there was an incident at James Woody Park damaging the lights at the ball field, staff at the Town reached out to me and asked for assistance. I provided my time and consultation to the Town at no charge to try and come up with the best solution creating the least financial impact to the Town. I offered to build a tower or put up a new light stanchion to illuminate the ball field that could double as a cell site. Just because some of those staff members are no longer with the Town should not diminish my contribution or willingness to make things better. That is how a partnership should work in my opinion!

Now, unbeknownst to PLN Telecom, and in conflict with prior agreements, we find out that the Town has granted a second conditional use permit ("Second CUP") to build a second cell tower on the Town's Golf Course. I was never consulted or notified by any Town administration staff member that this was being done. Further, the Town is now seeking to sign a Second Lease with Verizon to build this second tower on the Town's Golf Course. The decision to allow the second tower to be built will have a significant and material deleterious impact on the Tigertail tower and breach contractual obligations of the various parties (which in turn will actually harm the Town given the Partnership with PLN Telecom on the Tigertail tower). Additionally, it appears inequitable to seek to circumvent PLN Telecom in this Second Lease and tower construction, given that my company was able to help out the Town in the past with Verizon and get the Tigertail tower. I have email correspondence that attests to this fact.

Given our history, ongoing Partnership and in reliance on good faith I would appreciate if the Town would be willing to revisit this matter and discuss with me so we may find a fair solution that satisfies all parties and avoids the need of any future contentious activities. I think it would become clear that there is a very simple and practical solution to the matter. The current proposal that I have made to Verizon is similar to the one from 7 years ago that has worked very well for all parties involved. In summary, under the terms of such proposal Verizon would assign to PLN Telecom the Second CUP, PLN Telecom would in turn sign a ground lease with the Town of Apple Valley for the SAME AMOUNT OF MONEY THAT VERIZON IS CURRENTLY OFFERING OF \$1,700 /MONTH (thereby ensuring the Town not only receives the same benefit as currently being discussed but avoids any potential litigation and/or other delays and costs) and then sign a lease with Verizon to utilize the new tower. The Town would be better off with this proposal because not only would the Town be getting the exact same compensation as it was receiving from Verizon, but the costs and delays of unnecessary litigation over this matter would be nullified.

My sincere hope is that especially during these trying times that our country and the world are experiencing, we can all come together and solve problems in a rational and logical manner. The Town staff may argue that by hiring an attorney, I threw the first stone and threatened litigation but that is a misconstrued view and not true. PLN Telecom was simply seeking to protect its legal interests prior to the AVTC meeting on May 26th with little time to act (due to lack of prior notice) and I sincerely desire to resolve this issue amicably. I have always tried to avoid being adversarial and to resolve issues through reaching a common ground and maintain such desired approach.

I am hopeful you can tell that this letter comes from the heart and is the RIGHT WAY TO DO THINGS. If my efforts to resolve this amicably are ignored, I obviously will be FORCED to taking legal action as I believe I have sufficient

legal grounds to support my position, but genuinely believe there is a clear and less adversarial solution staring us in the face if we only take the moment to utilize it.

I sincerely hope to hear from you soon so we can work cooperatively to resolve this matter.

Sincerely,

A handwritten signature in cursive script that reads "Paul L. Nussbaum". The signature is written in black ink and is positioned to the left of the typed name.

Paul Nussbaum, President  
PLN Telecom, Inc.



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Hi Jill,

Thank you for taking the time to speak with me yesterday about the Apple Valley, California towers in an effort to find an amicable resolution to this matter. Further, I appreciate you sharing with me Verizon's original position on the matter. As I indicated, my chief concern is not that Verizon would immediately leave the "Tigertail" facility in favor of the "AOYA" tower once constructed. As you have represented, that does not seem to be Verizon's intention since both towers will serve individual purposes. Rather, my issue relates more to the competition that the "AOYA" tower presents relative to the "Tigertail" site in attracting future tenants as well as the breach of the protective terms in prior agreements with Verizon and the Town of Apple Valley (the "Town"). As we discussed, the Town determined during their last Town Council meeting on May 26, 2020, to hold off on approval of a lease to Verizon for the "AOYA" tower due to such contractual obligations and is currently investigating the matter.

Therefore, as I suggested during our call, I am proposing a fair alternative that would allow PLN Telecom, Inc. ("PLN") to construct the "AOYA" tower for Verizon which would result in the tower still being built for benefit of Verizon and the Town, but also ensuring PLN is contractually protected. To facilitate this build, Verizon would assign to PLN the conditional use permit ("CUP") granted from the Town as was previously done in the case of "Tigertail". Verizon would be given the top RAD center and the accompanying required ground space to place equipment. PLN would be responsible for bringing all utilities and fiber to the tower thereby making it ready for "plug and play". In this scenario, PLN would take on the expenses of the "AOYA" tower construction (currently estimated to be approximately \$250,000-\$300,000) and alleviating such burden from Verizon.

In exchange for assuming such capital expenditures, PLN would lease the space back to Verizon for a rental price of **\$2,850 per month with a 15% term escalator or 2.5% annual escalator**. This is only a nominal increase of \$1,150 per month over what was originally proposed with the Town, but Verizon would be relieved of approximately \$275,000 in upfront capital expenditures, **the equivalent savings of 20 years of rent**, without accounting for depreciation and escalations. Further, please recognize that the Town is going to be receiving a large portion of the rent for the ground lease. Therefore, PLN will be a very attentive partner to ensure I can recoup on my investment over time as in the short run this will not be a profitable venture for me. Nonetheless, I must protect my contractual interests in "Tigertail" while finding a reasonable compromise that allows all parties to proceed without additional delays and costs that would be accrued through a legal dispute. While I must reserve all rights and remedies to ensure I am ultimately protected, my sincere goal is to find an amicable resolution for all and move forward timely.

I look forward to working together with your team on this project and producing a site that will meet or exceed Verizon's expectations.

Sincerely,

Paul L. Nussbaum