

CASTLE ROCK WATER RESOLUTION APPROVING THE FIRST AMENDMENT TO THE AMENDED AND RESTATED PROPERTY LEASE AGREEMENT

JUNE 2, 2026



AMERICAN TOWER PREPAID LEASE

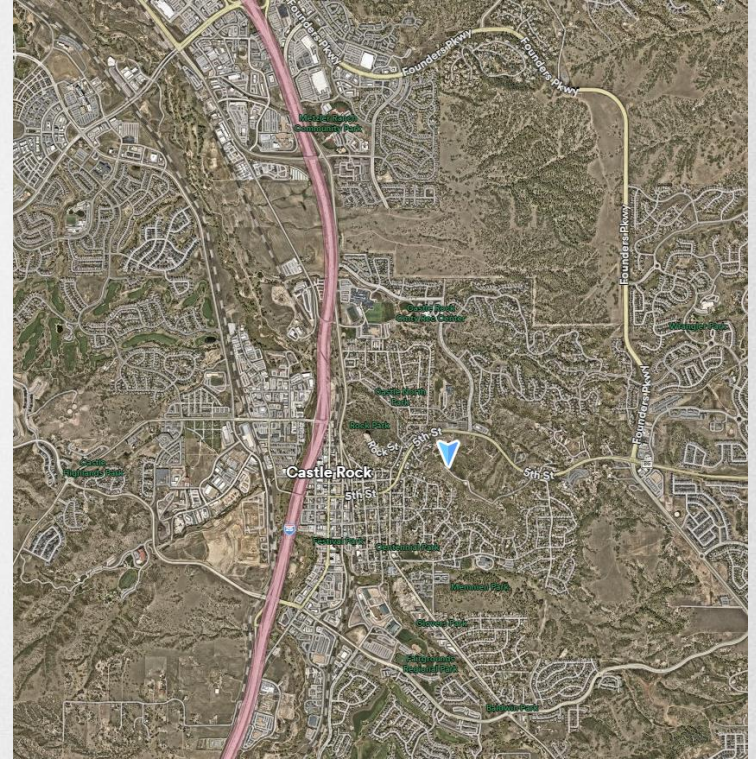
RESOLUTION: FIRST AMENDMENT TO PROPERTY LEASE AGREEMENT

Purpose:

- Extend telecommunications lease for 50 years
- Convert existing monthly lease to one-time prepaid structure

Financial Summary

- One-time prepaid payment of \$1,125,000 at closing



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WHAT IS CHANGING



Current Lease Structure

- Originally established in 1998 (restated in 2022)
- Current monthly rent of \$2,541.23 per month
- 3% annual escalation
- Ongoing renewals and administrative oversight

Proposed Amendment

- 50-year lease extension
- Conversion to prepaid lease model
- Eliminates recurring renewal cycles
- Maintains continued telecommunications operations

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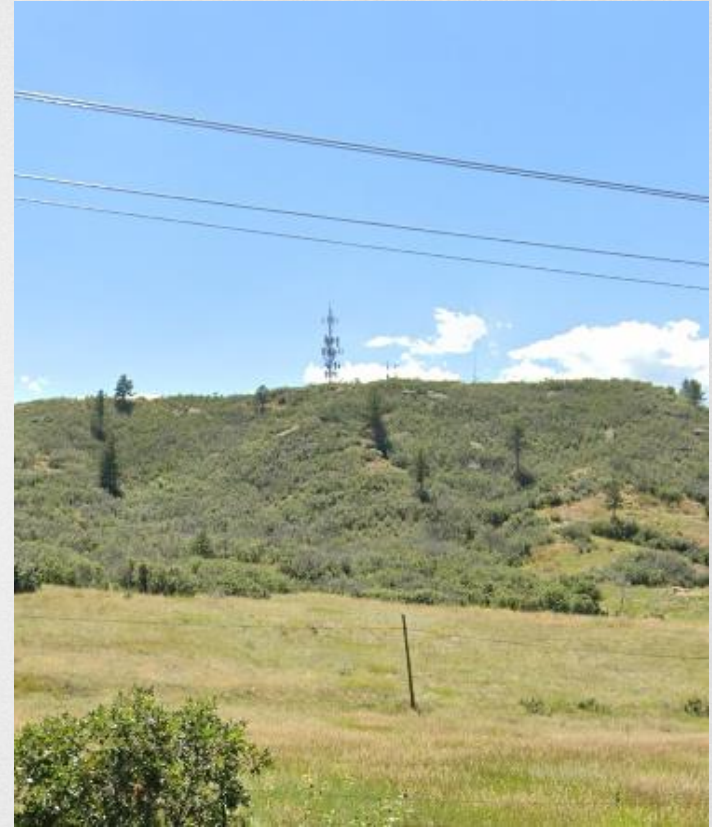
STRATEGIC RISK AND CONSIDERATIONS

Technology and Market Evolution

- Wireless infrastructure will evolve over next 50 years
- Potential for distributed networks, satellite systems, or reduced reliance on traditional towers
- Risk of renegotiation or diminished future lease value under shorter terms

Why Prepaid Now?

- Secures full economic value today
- Transfers long-term technology and market risk to tenant
- Provides financial certainty
- Reduces administrative burden



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BUDGET AND FINANCIAL IMPACT



Immediate Financial Benefit

- \$1,125,000 received at closing
- Replaces long-term monthly revenue stream

Investment Potential

- At ~2.54% return (current CRW debt rate)
 - Future value over 50 years \approx \$3.9 Million
- Higher returns increase long-term value

Additional Benefits

- Immediate liquidity for:
 - Capital projects
 - Debt reduction
 - Reserve strengthening
- Eliminates renewal and revenue uncertainty

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QUESTIONS?

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MOTION OPTIONS

PROPOSED MOTION:

“I move to approve the Resolution TMP 2026-067 as introduced by title.”

ALTERNATIVE MOTIONS:

“I move to approve the Resolution as introduced by title, with the following conditions: (list conditions).”

“I move to continue this item to the Town Council meeting on ___ date to allow additional time to (list information needed).”