

From: [David Orshan](#)
To: [Jan Smith](#)
Cc: [Dawn Bowne](#)
Subject: Re: Outstanding amounts owed reconciliation
Date: Wednesday, July 13, 2016 4:44:17 PM

Jan,

Here are my thoughts. I believe and hope you and the city should like this resolution.

1. Florida Fiber Networks owns the A/R as part of our asset purchase of Florida Cable, Inc. which you have previously been given the amounts through June that currently total \$53,087.11 through July 2016. This is based upon open balances as follows through July 2016

City Hall \$17,475.10
Fire \$ 6,575.60
Police \$14,145.48
Public Service \$10,656.02
Waste Water \$ 4,234.91
Total \$53,087.11

The current rate of charges for the city is now limited to **\$59.99 per account for 5 broadband accounts totaling \$299.95 per month** ongoing. There is no phone bill charges going forward.

2. The calculation for rent at \$7,824.00 is not accurate. The last correspondence from the City on April 21, 2016 indicated a rent rate of \$503.44 per month to Florida Fiber Networks.

The rental cost for 2015 Sept through December at a rate of \$511.10 per month is \$2,044.40.

The rent due in 2016 from January through July at the \$503.44 per month is \$3,524.08 for a total rent due of \$ **\$5,568.48**.

4. The building related expenses for the 10 months at \$5,920.90 are good.

5. The Duke Energy deposits charges of \$3,953.64 are also good.

Therefore, the amount FFN owes the City of Dunnellon is as follows:

BRE \$5,920.00
RENT \$ 5,568.48 including taxes.
DUKE \$ 3,953.64
Total \$ 15,442.12

The difference is The City of Dunnellon owes Florida Fiber Networks is **\$37,644.99**.

Solution:

FFN and The City of Dunnellon agree to the following :

1. The City of Dunnellon assigns the current Lease Agreement for the property to Florida Fiber Networks.

2. FFN does not make any rent payments for a 3 year period. The rent current payment amount of \$503.44. The amount of rent being credited is \$20,832.24. This is based upon the following calculations and assumes the highest 6% cost increase available to the contract:

2016- rental monthly fee at a rate of \$503.44 X 5 months = \$2,517.20

2017 rental monthly fee at a rate of \$533.64 X 12 months = \$6,403.68

2018 rental monthly fee at a rate of \$599.61 X 12 months = \$7,195.32

2019 rental monthly fee at a rate of \$673.72 X 7 months = \$4,716.04

Total Credit for rent \$20,832.24

Florida Fiber Networks writes off the remaining \$16,812.75 as good will toward the city. Following the 36 months, the rent will be paid monthly by Florida Fiber Networks to the City of Dunnellon at the actual calculated rate at that time according to the Agreement.

This scenario allows for an amicable resolution and does not require the city to make any major adjustments to their operations and no out of pocket cash payments. I sincerely hope this response finds its way to a resolution so we can proceed forward together.

Warmest Regards,

David Orshan
Chief Operating Officer
Florida Fiber Networks
301 South Collins Street Suite 105
Plant City, Florida 33563
dorshan@flfibernet.com
M: 305-216-3200

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On Jul 13, 2016, at 1:41 PM, Jan Smith <jsmith@dunnellon.org> wrote:

David,

Thank you very much for your prompt reply to the City's letter regarding the outstanding accounts reconciliation, and our offer to settle them in good faith so that we can move forward with other

partnership opportunities.

City Council made it very clear that until the outstanding payables are resolved, they will not discuss any future lease agreement, or any other partnership ideas. They feel strongly that approaching this in any other manner would be putting the cart before the horse so to speak. And, since there is no existing lease agreement, I would strongly recommend that we handle these matters one at a time as suggested.

Please let me know how you would like to proceed, and I'll share this information with Council.

Regards,

Jan Smith
Finance Officer
City of Dunnellon
20750 River Drive
Dunnellon, FL 34431
Phone: 352-465-8500
Fax: 352-465-8505
Email: jsmith@dunnellon.org

Please Note: Florida has a very broad public records law. Written communication to or from City officials regarding City business is public record and open to inspection including names, addresses, and email addresses. Therefore, your email communication may be subject to public disclosure.

From: David Orshan [<mailto:dorshan@flfibernet.com>]
Sent: Tuesday, July 12, 2016 3:57 PM
To: Jan Smith
Cc: Lynn Wyland; Loretta Barton; Mandy Roberts
Subject: Re: Outstanding amounts owed reconciliation
Importance: High

Jan,

Thank you for your counter offer. The need for a long term solution is required to support the business. We can work through the rest of your counter proposal but do require an agreement that allows us to maintain our presence at that location for many years to come. Perhaps a 7 year initial term with a 5 year renewal. Lets get this issue addressed and the rest we can amicably work out.

Thank you,

David Orshan
Chief Operating Officer
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On Jul 12, 2016, at 2:12 PM, Jan Smith <jsmith@dunnellon.org> wrote:

Hello David,

Please see the attached letter and reconciliation for your consideration.

Regards,

Jan Smith
Finance Officer
City of Dunnellon
20750 River Drive
Dunnellon, FL 34431
Phone: 352-465-8500
Fax: 352-465-8505
Email: jsmith@dunnellon.org

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