

Memorandum



To: David Plyman
CC: Sue Messer
From: Scott Koteski
Date: 7/17/2012
Re: Follett Collocation Lease Agreement

Mr. Plyman

I am pleased to inform you the Follett Corporation of River Grove, IL has agreed to enter into contract with Rochelle Municipal Utilities for the lease of collocation facilities within the RMU Technology Center. The attached agreement is for 640 square feet of collocation space within the Rochelle Municipal Utilities Technology Center. This lease agreement also offers Follett the right of first refusal on the remaining open floor space available within the technology center. It is Follett's projection to occupy the remaining available space within the next year to two years. At the point of occupying additional space the monthly payments of this lease will be modified for additional charges.

A monthly lease fee of \$23,680.00 and a term of five years, this agreement will provide a yearly revenue of \$284,160.00 and total revenue of \$1,420,800.00 over the five year term. In addition to monthly fees Follett has agreed to make a onetime payment of \$26,000.00 as setup fees to ready the space for their use.

With the addition of Follett; RMU Advanced Communications now has 5 Collocation / Dark Fiber agreements executed. Revenue totals generated from all (dark fiber and collocation) agreements signed to date now total \$52,506.00 monthly; with a yearly total of \$630,072.00.

It is my recommendation for the Rochelle City Council to approve this collocation agreement between Rochelle Municipal Utilities and the Follett Corporation at the July 23rd Rochelle City Council meeting.

Scott Koteski