



April 8, 2009

David Corliss
City Manager
The City of Lawrence
6 E 6th St.
Lawrence, KS 66044

Dear Mr. Corliss,

As you may recall, a couple of months ago Mayor Dever and I sat down with staff from your ITS team to discuss an innovative way to free up state matching funds for the city's ITS project. If acceptable to KDOT, the proposed solution would free up \$250,000 in the current year's budget and help the Lawrence Freenet Project by allowing us to implement a fiber-optic backbone in Lawrence.

It would also extend this fiber-optic backbone past the current termination target (19th & Iowa) all the way to 23rd & Harper, giving the city the flexibility to install ITS equipment at lights on 23rd St. whenever funds become available.

I haven't heard much since this time, so I wanted to touch base with you and let you know where the Freenet Project stands on this issue.

We are still willing to install this fiber-optic run using the proposed financing method, however, I wanted to formally provide a second offer if the first is untenable.

We would be willing to install the 288 count fiber in this conduit as well as provide slack at all of the "pull holes" currently installed on this run. We will do this entire project at our cost. What we would want in return is 30 strands of this bundle. The remaining strands would be the property of the City of Lawrence.

This offer is worth between \$100,000 and \$150,000 to the City and would drastically reduce the costs of implementing the ITS system.

We would also commit to providing 24/7 emergency maintenance of this cable at our cost.

It is my understanding that the City plans to use around 144 strands of fiber on this run for the ITS system. After the Freenet project takes 30 strands as payment for the work, this would leave the city 114 strands of spare capacity – plenty of capacity for new applications for decades to come.

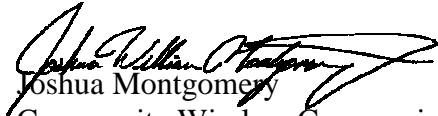
COMMUNITY WIRELESS COMMUNICATIONS

If other vendors are interested in participating in this project, we would be more than happy to split both the cost and the strands on an equal basis. For example, if the World Company and AT&T both wanted to participate, we would each take 10 fibers and bear 33% of the cost. CWC would act as the primary contractor on the project, making sure that it gets done in a timely manner, though we will likely contract with K & W Underground or another Kansas fiber-optic provider to do the actual work.

If the city gives us a go ahead on this offer we can have the fiber-optic cable in the ground by mid-summer. The City would then have the flexibility of terminating this cable at any time and in any season, meaning that the city could implement its ITS project this winter without having to wait another year for the ground to thaw.

If you have any questions or would like to discuss this offer with me or my staff, please don't hesitate to call.

Sincerely,



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