



KNOLOGY®

August 30, 2010

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AUG 31 2010

CITY MANAGERS OFFICE
LAWRENCE, KS

David Corliss
City Manager
City of Lawrence
P.O. Box 708
6 East 6th Street
Lawrence, KS 66044

Re: WorldNet, L.L.C. ("WorldNet"), a subsidiary of The World Company, and Knology of Kansas, Inc., a wholly-owned subsidiary of Knology, Inc. ("Knology"); Request for Consent of City of Lawrence, Kansas ("City") to Transfers of Telecommunications Franchise.

Dear Mr. Corliss:

This letter provides notice of the pending transfer of the telecommunications franchise ("Telecom Franchise") granted to WorldNet by the City in Ordinance Number 7359, as amended.

By letter dated August 23, 2010, we provided the City notice of the sale of certain assets by The World Company to Knology and requested the City's consent to the transfer of the cable franchise granted by the City. That sale also involves the sale and transfer of WorldNet's telecommunications business and assets, including the Telecom Franchise.

To accomplish the sale of the telecommunications business, the parties have agreed to a two-step transaction. First, WorldNet will first transfer the telecommunications assets and Telecom Franchise to The World Company; then, at the closing of The World Company/Knology transaction, The World Company will transfer the telecommunications assets and Telecom Franchise to Knology.

With this letter, WorldNet and The World Company respectfully request the City's consent to the sale and transfers of the Telecom Franchise as outlined above.

The FCC Form 394 and related materials submitted to the City with the August 23rd letter contain additional information about the parties and the transaction.

Knology

Knology is a leading provider of telecommunications and entertainment services. Like WorldNet and The World Company, Knology stands atop the telecommunications industry in terms of customer service and innovation.

As a publicly-traded company (NASDAQ: KNOL), Knology makes extensive company and financial information readily available. For more information, see www.knology.com.

Knology recognizes that WorldNet and The World Company have built premier telecommunications businesses. Knology looks forward to continuing their records of service and innovation.

Enclosures

To assist with the approval process, we attach a proposed Ordinance approving the Telecom Franchise transfers as described above.

Request for Consent to Transfer the Telecom Franchise


We respectfully request the City place the transfer Ordinance on the agenda for the next available public meeting. Please notify the points of contact below so we can schedule company representatives to attend the meetings.


The World Company and WorldNet, L.L.C. Ralph Gage Director, Special Projects The World Company 609 New Hampshire Lawrence, KS 66044 (785) 832-7125 rgage@ljworld.com	Knology, Inc. Chad Wachter General Counsel Knology 1241 O.G. Skinner Drive West Point, GA 31833 (706) 773-2663 chad.wachter@knology.com
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Please direct any questions you have about the transfers to our attention.

Thank you for your consideration. We appreciate your assistance in this matter, and we look forward to working with you.

Sincerely,

By: 
Name: Dan Simons
Title: President, Electronics Division
The World Company

By: 
Name: Chad Wachter
Title: General Counsel
Knology, Inc.

By: 
Name: Dan Simons
Title: Manager
WorldNet, L.L.C.

Enc.

cc: Ralph Gage, via e-mail
Patrick Knorr, via e-mail

ORDINANCE NO. ____

AN ORDINANCE APPROVING THE TRANSFER OF THE TELECOMMUNICATIONS FRANCHISE GRANTED BY THE CITY OF LAWRENCE, KANSAS IN ORDINANCE NO. 7359, AS AMENDED.

FINDINGS

- A. The City of Lawrence, Kansas ("City") has received a request from WorldNet, L.L.C. ("WorldNet"), an affiliate of The World Company, to assign to Knology of Kansas, Inc. ("Knology") the telecommunications franchise granted WorldNet under City Ordinance No. 7359, as amended ("Franchise").
- B. The proposed transfer will involve two steps. First, the transfer of the Franchise from WorldNet to The World Company; then, the transfer of the Franchise from The World Company to Knology.
- C. The Franchise requires that the franchise holder obtain the City's prior consent for the transfer of the Franchise.
- D. WorldNet, The World Company, and Knology have properly requested the City's consent to the assignments and transfers of the Franchise and related assets.
- E. To the City's knowledge, WorldNet has fulfilled its obligations under the Franchise.
- F. Knology has the financial, technical, and legal ability to fulfill the obligations of the Franchise, and the assignment of the Franchise to Knology will serve the public interest.

ORDINANCE

Based on the above findings, the City Commission ordains as follows:

- 1. WorldNet is in material compliance with its obligations under the Franchise, and the City has no knowledge of any breach or default by WorldNet under the Franchise.
- 2. The City consents to the transfer from WorldNet to The World Company of the Franchise, and all of the rights, title, powers, and privileges in and under the Franchise and related assets.
- 3. The City consents to the transfer from The World Company to Knology of the Franchise, and all of the rights, title, powers, and privileges in and under the Franchise and related assets.
- 4. Upon the transfer of the Franchise from WorldNet to The World Company, The World Company shall become bound by the Franchise and shall perform and discharge all obligations and duties under the Franchise that arise prior to the closing of the transaction between The World Company and Knology ("Closing").
- 5. Upon Closing, Knology shall become bound by the Franchise and shall perform and discharge all obligations and duties under the Franchise that arise on and after the Closing.

6. Upon Closing, the City releases WorldNet and The World Company from all obligations and liabilities under the Franchise that relate to periods after the Closing.
7. The City consents to the granting by Knology of a security interest in the Franchise for the purposes of securing financing.

Passed and adopted the _____ day of _____, 2010

Mike Amyx
Mayor

ATTEST:

Jonathan Douglass
City Clerk