



Connect Kendall County market study

Key takeaways

July 2024

Roland
Berger

Kendall County is the fastest growing county in Illinois, 50 miles southwest of Chicago with a population of ~130,000 people

Kendall County overview



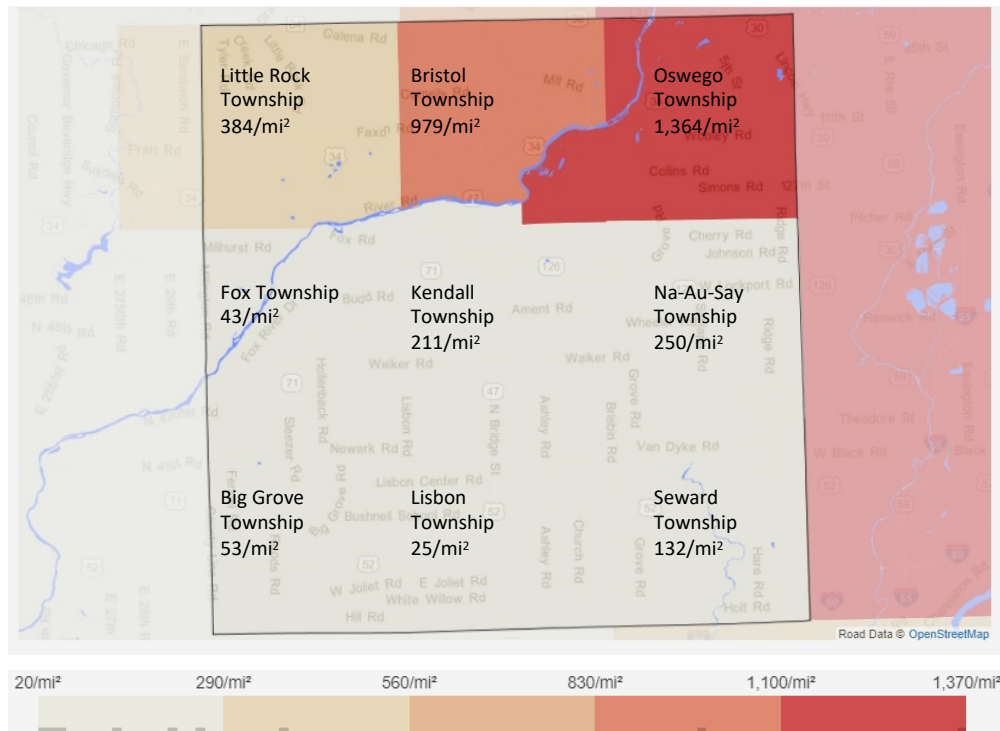
Key facts

- Distance from downtown Chicago: 53 miles
- Distance from O'Hare International Airport: 48 miles
- Distance from City of Aurora: 12 miles
- Population: 139,976¹⁾
- Population density: 435 sq/mi¹⁾
- Households: 45,163²⁾
- Area: 322 square miles
- Median household income: USD 106,358¹⁾
- Total employer establishments: 2,180³⁾
- County seat: Yorkville
- Most populous municipality: Oswego

1) July 2023 estimate. 2) 2022 American Community Survey estimates. 3) 2022 Economic Census

The northern parts of Kendall County are increasingly suburban while the southern parts are primarily agriculture land and forestry

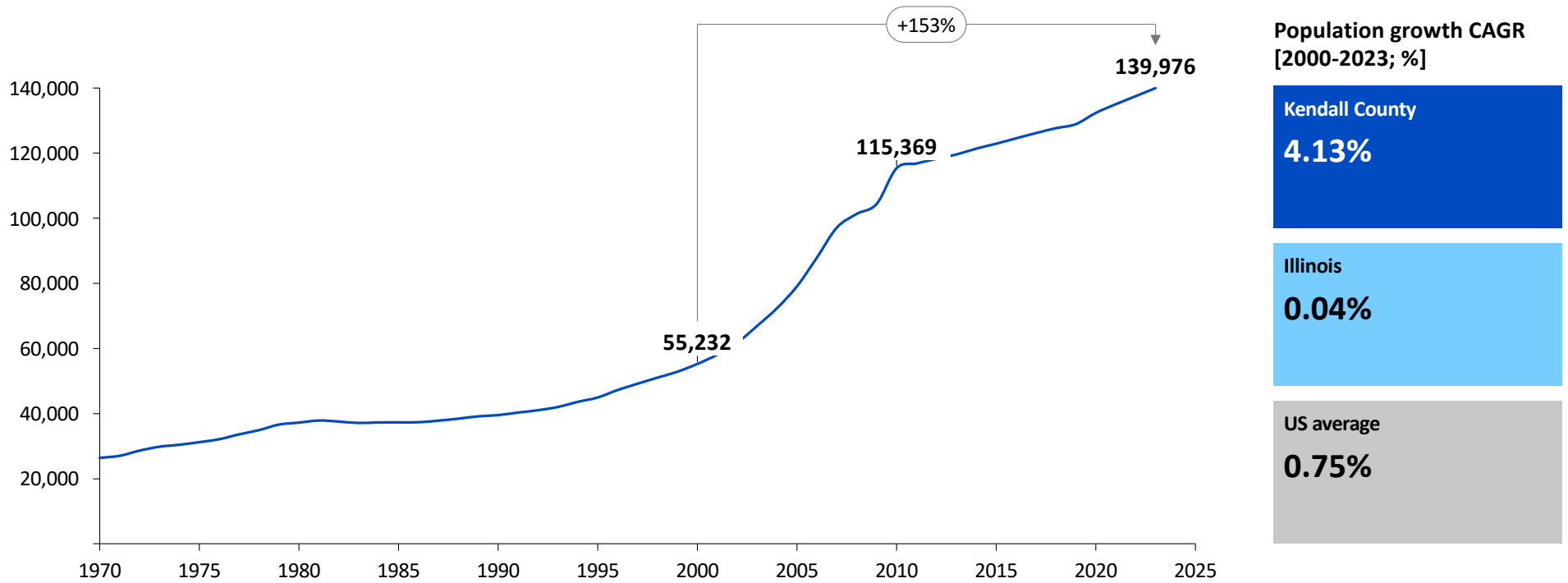
Kendall County population density per township [2022]



- Townships north of Fox River are substantially denser than areas south
- The bulk of business activity is located in Oswego and Yorkville (Bristol Township)
- Many residents of southern townships commute daily up north through Route 47 and Route 71
 - Mobile network connectivity is reportedly spotty across multiple stretches – low population density and long distances between households has led to sparse cellular tower coverage
- Counties adjacent to Kendall (e.g., Grundy, LaSalle) are considerably more rural areas, with a significant share of residents driving through Kendall County to commute to work in Oswego/Yorkville

Given its proximity to Chicago, Kendall County's population growth has remained consistently strong, growing at 5x the rate of general population growth

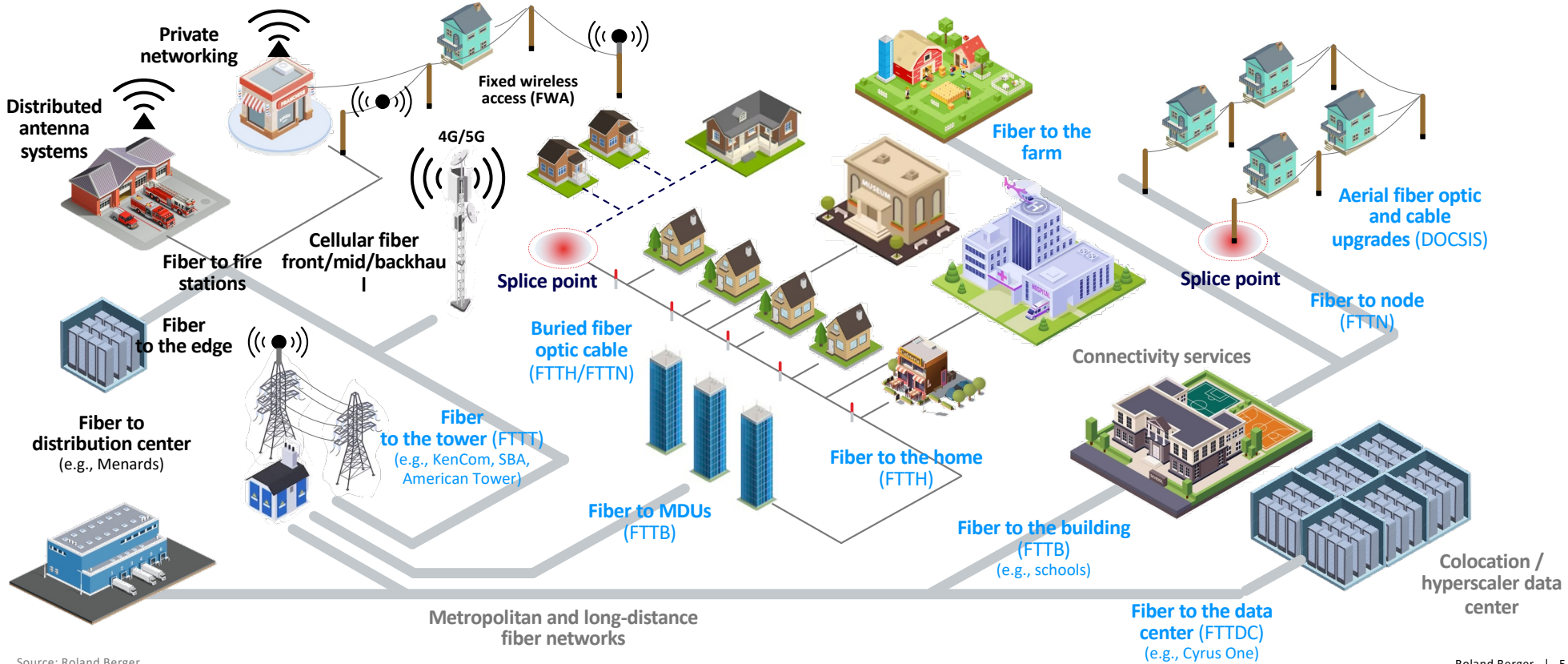
Evolution of Kendall County population



Source: Federal Reserve Bank of St. Louis, Roland Berger

Fiber is the key foundation enabling the next generation of connectivity services, ranging from enhanced residential broadband to state-of-the-art data centers

Ubiquitous fiber access is required for all aspects of the digital infrastructure fabric



Source: Roland Berger

Kendall County aims to build, operate and maintain an open-access middle-mile fiber network that would be future-proof, reliable, and affordable

Connect Kendall County network underlying principles

1 Open-access network

- **Syndication** of common passive and active infrastructure
- **Access provided to multiple providers** to use network capacity and deliver services to customers

3 Reliable and high performant

- **Redundant ring design** minimizing downtime from accidental fiber cuts and network equipment failures
- **Symmetric bandwidth capabilities** removing constraints around emerging residential and business requirements

2 Future-proof architecture & technology

- **Unique connectivity infrastructure** capable of supporting residential, business, and mobile services
- Architecture enabling highly **scalable solution** with rapid upgrade potential through switching of end-point terminations (as opposed to total network rebuild)

4 Local and fairly priced

- Initial **residential access price below typical price paid** by Kendall County residents
- **Expected general market price declines** due to increased competition supported by open access network concept

Main expected outcomes



Bridging digital divide for currently unserved / underserved customers



Increased competition leading to potential price declines for currently served customers through overbuild



Improved connectivity supporting **growing business customer requirements**



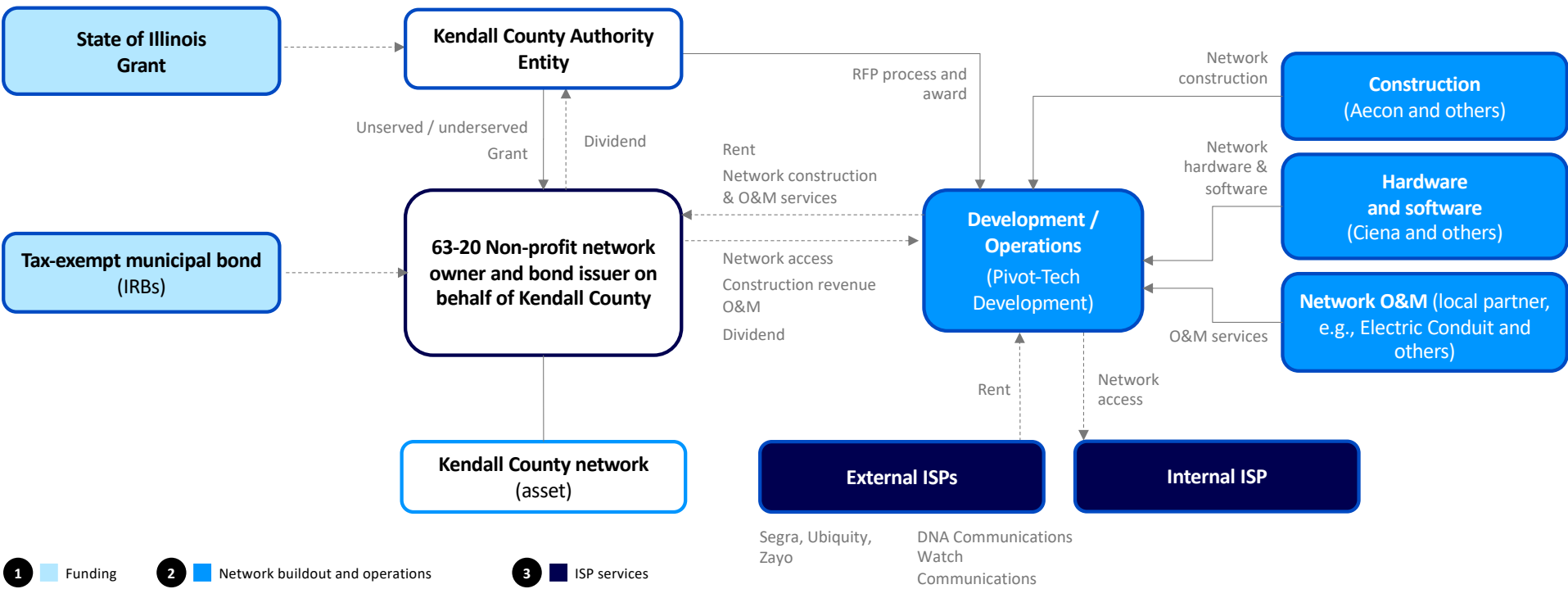
5G-ready backhaul infrastructure to improve cellular network coverage and performance



Attractive connectivity baseline requirement for incoming heavy users (e.g., data centers)

Kendall County will retain ownership of the network while development and ongoing operations will be managed by Pivot-Tech





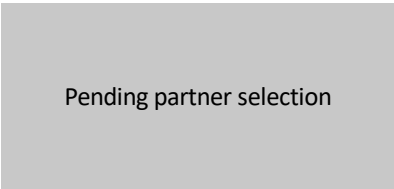
High-level CKC contractual structure

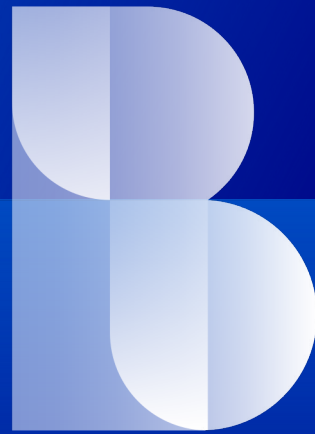


Source: Pivot-Tech, Roland Berger

Pivot-Tech is responsible for the overall project management, from design to operations, and is supported by a cast of strong partners

Roles of main stakeholders involved in network buildout and operations

				
Company description	<ul style="list-style-type: none"> Pivot-Tech's is a fiber network development company composed of industry veterans with strong expertise 	<ul style="list-style-type: none"> Aecon is a North American construction and infrastructure development company, strong of 70+ years of experience in delivering telecom infra. 	<ul style="list-style-type: none"> Ciena is a global leader and pioneer in the networking industry, including optical and routing systems, services, and automation software 	
Role	<ul style="list-style-type: none"> Overall design, development and operations 	<ul style="list-style-type: none"> Network construction 	<ul style="list-style-type: none"> Network hardware and software 	<ul style="list-style-type: none"> Network operations and maintenance
Key activities	<ul style="list-style-type: none"> Oversee business development and establish partnerships with ISPs Oversee program management activities related to the network's buildout Ensure proper operations and maintenance of network post-buildout 	<ul style="list-style-type: none"> Deliver and manage all phases of middle/last mile fiber network buildout, incl. design, permitting, locating, construction, etc. 	<ul style="list-style-type: none"> Design the network and provide necessary hardware to run an ISP, including configuring and connecting the hardware, enabling services, and ensuring software compatibility 	<ul style="list-style-type: none"> Manage and monitor the network operations to optimize performance and scan for any outages Ensure on-going maintenance of the fiber network



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