

Fibre Exchange Master Agreement - Extension Term Sheet

Overview of Applicable Terms of Existing Master Agreement

General:

- The parties to the Fibre Exchange Master Agreement (the “Master Agreement”) are the **City of Edmonton** and the **Government of Alberta**.

Scope of the Master Agreement:

- The Master Agreement sets out the terms and conditions to transfer ownership of fibre optic cable from the Government of Alberta to the City of Edmonton, specifically:
 - The Government of Alberta gave the City of Edmonton a short-term license to unused fibre optic cable and facilities.
 - The Government of Alberta will transfer ownership of existing fibre optic cable and facilities in the West end to the City of Edmonton
 - The City of Edmonton will arrange for construction of new fibre and new fibre facilities in City of Edmonton Road Right-of-Way
 - The City of Edmonton will provide the Government of Alberta with an indefeasible right of use (“IRU”) as well as maintenance and support of the new fibre and new fibre facilities. An IRU is irrevocable, meaning the City of Edmonton cannot take the IRU away from the Government of Alberta for the term of the Master Agreement.

Initial Term of the IRU under the Master Agreement:

- The initial term of the IRU will end on January 6, 2032, which is 10 years after the Effective Date of the Master Agreement.

Administration is Seeking Approval for the IRU Extension Term:

- Administration is seeking Executive Committee approval for the **IRU Extension Term**. The IRU Extension Term is a 10 year extension to the initial 10 year term of the IRU. The new end date of the Master Agreement would be January 6, 2042.
- The 10 year extension would give the Government of Alberta an IRU for the new fibre and new fibre facilities for a total of 20 years.

Attachment 1

- Under the Master Agreement, the City agreed to using all reasonable commercial efforts to obtain Executive Committee approval for the IRU Extension Term by August 31, 2022.
- There are maintenance costs associated with the new fibre and new fibre facilities including for example general maintenance and response to incidents of accidental damage. These costs are incurred whether the extension is granted to the Government of Alberta or not.
- All other terms and conditions in the Master Agreement remain substantially unchanged.