

FIRST AMENDMENT TO SURETY AGREEMENT

This FIRST AMENDMENT TO SURETY AGREEMENT is made and entered into on this the ____ day of September 2009 by and between PROVO CITY CORPORATION, a Utah municipal corporation (“Provo”) and BROADWEAVE NETWORKS OF PROVO, LLC, a Utah limited liability company (“Broadweave”); and BROADWEAVE NETWORKS, INC., a Utah corporation (“Broadweave Parent”).

RECITALS

WHEREAS Provo and Broadweave entered into an Asset Purchase Agreement dated May 5, 2008 wherein Broadweave agreed to purchase and Provo agreed to sell substantially all of the assets relating to the fiber-to-the-premises communication network known as the iProvo network (“System”); and

WHEREAS in connection with the sale and purchase of the System, Provo and Broadweave executed and delivered various documents and agreements including: a senior secured promissory note in the amount of \$38,850,000 (“Note”); a senior secured promissory note for certain headend facilities in the amount of \$1,750,000 (“Headend Note”); a deed of trust, assignment of contracts and receivables, security agreement and financing statement (“Security Agreement”); a surety agreement (“Surety Agreement”); a corporate guarantee by Broadweave Parent (“Guarantee”); a lease of the network operations center building (“Lease”); a license agreement (“License Agreement”); a services agreement (“Services Agreement”); and a joint facilities agreement (“Joint Facilities Agreement”) (collectively, including the Asset Purchase Agreement, “Transaction Agreements”); and

WHEREAS Provo and Broadweave closed on the Transaction Agreements on or about August 29, 2008; and

WHEREAS Broadweave and Broadweave Parent have come to an understanding with Veracity Communications, Inc. (“Veracity”) whereby Broadweave Parent and Veracity will merge or otherwise combine companies (“Merger”); and

WHEREAS Provo recognizes that the Merger is in the interest of Provo because it will increase the financial performance of Broadweave and Broadweave Parent which, in turn, will provide further assurance the Broadweave and Broadweave Parent will meet their obligations under the Transaction Agreements; and

WHEREAS one of the conditions of the Merger is that Provo and Broadweave clarify some of the terms of the Surety Agreement in light of the Merger; and

WHEREAS Provo, Broadweave, and Broadweave Parent wish to amend the Surety Agreement to facilitate the Merger;

NOW THEREFORE, in consideration of the covenants, representations, warranties and mutual agreements hereinafter set forth, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto promise and agree as follows:

AGREEMENT

1. Section A.3 of the Surety Agreement shall be deleted in its entirety and replaced with the following:

3. Use of Security Deposit. Seller may only use the Security Deposit to make regularly scheduled principal and interest and late interest payments due under Section 3 of the Notes in accordance with the terms and conditions of this Agreement and for no other reason. If Purchaser fails for any reason whatsoever to make any monthly principal and interest installment payment due under Section 3 of the Notes on or before the twenty-fifth (25th) day of the month in which such installment is due, Seller shall, without any notice to Purchaser, Guarantor, Sponsor or any other person or other process whatsoever, use any available Security Deposit to pay all amounts owing with respect to such monthly installment payment plus late interest accrued thereon from the 15th to the 25th of such month (“**Delinquent Note Payment**”) in the total aggregate amount of the Maximum Draw Amount in order to prevent a payment default under the Notes. A payment default under the Notes does not occur if the Security Deposit is available and sufficient to cure a Delinquent Note Payment. Purchaser may at any time pay to Seller an amount equal to the amount of the Security Deposit applied by Seller to a Delinquent Note Payment in order to replenish the Security Deposit.

2. Section B.1.b of the Surety Agreement shall be deleted in its entirety and replaced with the following:

b. The term “Fixed Charge Coverage Ratio” means the ratio of (i) Adjusted EBITDA, less capital expenditures, to (ii) principal and interest paid in cash on all debt (including principal and interest paid in cash on capital leases). For purposes of calculating the Fixed Charge Coverage Ratio, the amount of the debt under the Notes shall be \$277,505.55 per month regardless of the actual payment amount detailed on attached Exhibit A.

3. Section 6.a of the Surety Agreement shall be deleted in its entirety and replaced with the following:

a. *Replenishment of Security Deposit.* If Purchaser fails for any reason to replenish the Security Deposit in full by the fifth (5th) day of

the month immediately following a Delinquent Note Payment, Seller shall draw upon the Support in an amount equal to the difference between the Maximum Support Draw detailed on Exhibit A that corresponds to the month in which the draw occurs less the outstanding balance of the Security Deposit at the time the draw occurs, but in no event to exceed the Support Amount specified in Section B.

IN WITNESS WHEREOF, this FIRST AMENDMENT TO SURETY AGREEMENT has been executed by the parties hereto as of the date first above written.

Signature Page Follows

PROVO CITY CORPORATION

Lewis K. Billings
Mayor

ATTEST:

Provo City Recorder

**BROADWEAVE NETWORKS OF
PROVO LLC**
By: Broadweave Networks, Inc., its
managing member

By: _____
David C. Moon, its Chief Executive
Officer

State of Utah)
 :ss.
County of Utah)

The foregoing instrument was acknowledged before me this _____ day of _____, 2009, for and in behalf of Broadweave Networks Inc. by David C. Moon, its Chief Executive Officer, who duly acknowledged to me that having received proper authorization from Broadweave Networks Inc., he signed this instrument for and in behalf of the corporation, and that the execution of the instrument is the act of the corporation for the purposes stated in it.

Notary Public