

Broadweave/Veracity merger FAQ [**Veracity Networks**]:

August 13, 2009

Q. What are you announcing today?

A. Broadweave Networks and Veracity Communications are merging to form Veracity Networks, a premier, local, provider of telecommunications services. The combined company will serve more than 20,000 customers in Utah, and combines superior customer service with advanced technology platforms and a fiber optic network infrastructure to deliver the best in Internet, phone, and video services to its customers. In addition, Broadweave is asking the City of Provo to restructure the payment terms of its loan associated with the purchase of the iProvo network to facilitate the merger.

Q. What is the name of the new company?

A. Veracity Networks, Inc.

Q. If both companies are doing so well why are they merging?

A. Broadweave Networks and Veracity Communications have experienced growth in customers and revenues over the past year, but with growth comes capital needs for infrastructure, equipment and new customer installs. By joining forces, both companies will be able to realize economies of scale to reduce costs and make it possible to expand more quickly. In addition, the merger combines unique technology assets on both sides to create new services that will be very attractive to customers.

Q. What are the terms of the merger?

A. While specific financial terms of the merger are not being disclosed, the combined company will benefit from the support of shareholders and key investors from both sides. Members of Broadweave's board of directors will continue to be involved, and Drew Peterson, currently the CEO of Veracity Communications, will become the CEO of the merged company.

Q. How will this affect current customers of the two companies?

A. Current customers will not experience any changes in service, equipment or pricing. Broadweave residential customers will continue to be serviced by the same great customer service team at Broadweave. Veracity commercial customers will also continue to be serviced by the same experienced sales executives and service representatives as before the merger. The merger will combine the efforts of two solid companies to help build long term growth and provide new, innovation products and services to our customers. In addition, the merger provides new opportunities for potential customers who are interested in taking advantage of fiber optic technologies.

Q. How many customers do the companies server?

A. The two companies have more than 18,000 residential and business customers.

Q. Who is the typical customer for Broadweave and Veracity?

A. Customers come from every walk of life including students, families and businesses. We have found that National Companies usually focus their service around large business and thus the small business customers and residential customers get neglected. Both Veracity and Broadweave recognized early on there is a need to service these small and medium size customers.

Q. Will this merger affect the pricing of products?

A. No, customers of both companies will continue to experience the same pricing and service they have always enjoyed.

Q. What products will the new company offer?

A. This merger will combine strengths in voice services, internet, video services, and customer service to create a more complete provider and a richer set of product offerings.

Q. Will this affect Provo tax payers?

A. No, The proposed merger and restructuring of the note is in the best interest of the City, and offers at least three major advantages to the City, taxpayers, local consumers and local businesses:

- I. First, it reduces the City's financial risk without any reduction in benefits. The restructuring keeps the City whole. In fact, the City believes the restructuring will ensure repayment of the bond and the total amount of money received by the City in payments will increase.
- II. Second, both companies deliver solid economic benefits to the community. They provide local jobs, pay local taxes, and provide local businesses access to high quality network services, and allow local residents to run businesses out of their homes. Having a strong local provider is a big benefit to the community.
- III. Third, the proposed merger results in a much stronger partner for the City going forward—improved cash flow, greater critical mass, more opportunity for growth, better ability to serve local customers, and greater assurance that the network will continue to benefit the community long term.

Q. How will this affect the current city bond obligations?

A. There are no current plans for these obligations to change.

Q. How many people do the two companies employ?

A. Nearly 100 employees between the two companies.

Q. Will there be any layoffs due to the merger?

A. There may be some duplication in the two companies but very few people will be affected by this merger.

Q. What are the long term goals of the merged company?

A. Provide the best telecommunications services with friendly, local service and be the easiest telecommunications provider to do business with

Q. You told us that you would be merging a year ago? What happened?

A. Last year Veracity did not share the same goals and aspirations as the old Broadweave management team. . Since then Broadweave has put a new management team in place which aligns with Veracity's business philosophy and strategic goals. We have worked hard over the last six months to forge a merger that makes sense for both companies. The current merger is based on a solid mutual benefit and will allow both companies to prosper.

Q. Why is it important for the new company to be local?

A. We have grown up in this community and understand the challenges and benefits that exist in our market. Veracity Networks remains a local business and has experienced the challenges and benefits of doing business in Utah. Our technical team and customer service are all local, they are right around the corner if you need them. They care about the community they live and do business in which in turn give them great pride in how they service our customers. In contrast the larger national companies are hard to get a hold of and difficult to understand their outsourced customer service teams making it difficult to do business with them. At the end of the day our employees and leadership team live here and work here, so they have that extra pride and commitment to the customers who are their friends and neighbors.

Q. Why did the company choose to use Veracity Networks as its new name?

A. The name Veracity has a long-standing reputation for great service and great products, particularly with commercial customers. The name Veracity means truth and integrity—principles that the new company intends to continue to embrace. While Broadweave has also developed a reputation for great customer service, the brand has not been in place nearly as long with customers.