

PROVO ANNOUNCES SALE OF CITY'S FIBER-OPTIC NETWORK TO BROADWEAVE

City sells iProvo to Utah fiber-optic provider Broadweave Networks which will consolidate the roles of network owner and service provider and will invest in network upgrades to improve reliability and quality of service.

PROVO, Utah--May 7, 2008--Mayor Lewis K. Billings announced yesterday the sale of Provo's citywide fiber-optic system to Broadweave Networks, a local fiber-optic services provider. Billings announced the iProvo privatization plan during his annual budget presentation to city employees at the Covey Center for the Arts.

Provo's pioneering fiber-optic network, named iProvo, is the largest municipally owned fiber-to-the-premises network in the U.S., reaching all 36,000 residences and businesses within the city. The iProvo fiber-optic network connects homes, businesses, government buildings, schools and traffic signals at speeds up to 1,000 times faster than cable or DSL. Broadweave will purchase the fiber-optic network for \$40.6 million, which is enough to retire outstanding bonds incurred by Provo to build the system.

"This is a tremendous opportunity for Provo, which comes as the culmination of many months of hard work and deliberation," said Billings. "Our city gains the full advantage of the sale, while continuing to enjoy the benefits of this advanced infrastructure."

Under the terms of the deal, which is subject to municipal council approval, the city retains a license to use the network to connect city buildings, schools, and power infrastructure. Broadweave will operate as both the network owner and the service provider. Broadweave deploys its own Fiber-To-The-Home (FTTH) networks and delivers over its fiber networks all three classes of service—telephone, TV, and internet—under its "Triple-Weave" brand of services. In 2003, Broadweave became the first carrier to deploy a fiber-optic network that supports primary-line services over a single IP connection to the customer.

Broadweave's board of directors includes notables such as Fraser Bullock, COO of the highly successful 2002 Salt Lake Winter Olympics and Robert Frankenberg, former chairman, president, and CEO of Novell. Sorenson Capital, a private equity firm headquartered in Salt Lake City, intends to invest in Broadweave Networks in order to make the purchase possible. This transaction is scheduled to close in June 2008.

"As a single entity operating both the fiber-optic network and the services racing over the network, Broadweave will be able to offer an even higher level of service quality, reliability and customer satisfaction," said Steve Christensen, Chairman and CEO of Broadweave. "Our primary goal is to make the transition as smooth as possible for existing customers." Customers will notice an increase in service quality and support, Christensen noted. "We will invest heavily in the fiber network to add more HD channels, superior Voice over IP (VoIP) offerings, upgraded IPTV set-top boxes, and other technologies to increase features and services for our customers," he said.

Christensen said that Broadweave will also sharpen its focus on business subscribers. "Broadweave will be investing heavily in network upgrades in order to increase capacity, features, and performance for commercial customers who will now enjoy a full suite of unified communications and hosted telephony options in addition to the unparalleled bandwidth they've come to enjoy already. We are taking an already great system to a new level."

In April 2007, Provo City issued a request for proposals inviting private sector companies to submit offers to

provide telecommunications services on the network, opening the door for new service providers and entities interested in privatizing the network. In late 2007, Broadweave contacted the city expressing interest in the network. The city and Broadweave entered into a non-disclosure agreement allowing them to begin their due diligence process. Months of work and negotiation on the part of both parties has culminated in the signing of the asset purchase agreement.

About Broadweave

Broadweave Networks (www.broadweave.com) delivers its “Triple-Weave” suite of voice, video, and data services via the Company’s own Fiber-To-The-Premises (FTTP) networks. Until recently, Broadweave has focused on deploying its fiber networks in new planned communities. Broadweave’s acquisition of the iProvo network makes it one of the country’s largest FTTP network operators. Broadweave also delivers data services, commercial telephony, and hosted Voice over IP (VOIP) communications services to small to mid-size businesses and enterprises.

About Sorenson Capital

Sorenson Capital (www.sorensoncapital.com) is a private equity firm providing small- to middle-market buyouts and investments with a particular focus on opportunities in selected states in the West and Mountain West. Sorenson Capital is headquartered in Salt Lake City, Utah.

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