

## BULK RATE AGREEMENT

This BULK RATE AGREEMENT (this "Agreement") is entered into as of August 10, 2004 by and between Precis Communications, LLC, a Delaware limited liability company ("Operator") and Kevin Patterson ("Owner").

### RECITALS

A. Owners own Maple Cove Apartments located at 392 S 100 E Ephraim, Utah 84627 (the "Premises" listed on Exhibit C), consisting of 21 units, plus any units added or constructed in the future.

B. Operator owns and operates a cable television system in Ephraim, Utah (the "System").

C. Owner and Operator have entered into a Commercial Right of Entry Agreement dated as of August 10, 2004 (the "Access Agreement") whereby Owner granted an easement to Operator for the installation of wiring and other equipment necessary for Operator to provide multi-channel video programming and any other services that it may lawfully provide to the Premises. All terms and provisions of the Access Agreement are incorporated by reference in this Agreement.

D. Owner and Operator have decided to provide such services on a bulk rate basis, on the terms and conditions provided herein.

### AGREEMENTS

In consideration of the mutual promises and conditions herein set forth and other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, Owner and Operator agree as follows:

1. **Term; Termination.** This Agreement shall be effective on the date hereof and continue for a period of 7 years (the "Initial Term"), and thereafter shall automatically continue for 7 additional terms, each additional term consisting of the same number of years as the Initial Term (each a "Renewal Term"), unless either party gives the other written notice of non-renewal at least six months prior to the end of the Initial Term or then-effective Renewal Term, as appropriate.

2. **Services.** During the term of this Agreement, Operator shall provide to each unit on the Premises (listed on Exhibit C), including any units added in the future, the services described on Exhibit A (the "Services"). Operator has the right to change its channel line-up within the System area, including but not limited to deleting, adding and substituting programming services and altering the channel positions of programming services, from time to time, in its discretion.

3. **Service Charges.** (a) Owner shall pay to Operator per month for each unit of the Premises (listed on Exhibit C) for services as listed in Exhibit A, plus all applicable franchise fees, government access fees, and sales taxes (the "Monthly Service Charge. [Operator shall send Owner a detailed invoice for the Services rendered each month during the term of this Agreement.] Owner shall pay the Monthly Service Charge to Operator immediately upon receipt of such invoice. Monthly Service Charges not paid within 30 days after receipt of such invoice, at Operator's option, shall be deemed in arrears, shall have added to the arrearage simple interest at the rate of 18% per annum reckoned from the date of the arrearage plus Operator's attorney fees and court costs incurred in pursuing collection of said arrearage, and shall be collected in accordance with the System's then current collection policy.

(b) Operator shall be entitled to increase the Monthly Service Charge upon 30 days' notice to Owner not more than once per twelve months during the Initial Term and any Renewal Terms. [Operator shall send to Owner a detailed break down of the revised Monthly Service Charge within fifteen days after the effective date of such increase.] The initial Monthly Service Charge is guaranteed not to increase for 12 months from the date of this Agreement, and will increase no more than 6% during any twelve month period thereafter.

#### 4. Additional Services and Additional Equipment.

(a) Additional Services. Operator may provide to any residents of the Premises additional services other than those Services described on Exhibit A ("Additional Services"), for which it shall bill such residents directly at Operator's retail rates for such Additional Services in the System area.

(b) Additional Equipment. Operator shall offer to any residents of the Premises certain additional equipment which might be necessary to receive the Services or any Additional Services from an activated outlet ("Additional Equipment"). All charges for such Additional Equipment shall be at Operator's retail rates for such Additional Equipment in the System area and shall be billed directly to such resident by Operator.

(c) Failure to Pay for Additional Services or Equipment. Operator will disconnect the Services or Additional Services supplied to any unit if the resident of such unit fails to timely render payment for any Additional Services or Additional Equipment.

#### 5. Termination, Expiration and Liquidated Damages.

(a) Termination Events. This Agreement may be terminated prior to the expiration of the Term or any then-effective Renewal Term:

(i) By either party upon not less than thirty days' prior written notice to the other, but only in the event of a material breach of any warranty, representation or covenant of the other party to this Agreement, unless the breach is cured within such thirty day period or, if the breach is not curable within such thirty day period, unless the other party has commenced to cure the breach during such thirty day period and thereafter diligently proceeds with such cure; or

(ii) By Operator, at its option, upon not less than thirty days' prior written notice to Owner, if Operator is unable to continue the distribution of the Services due to any governmental law, rule, regulation, judgment of any court, contract with a third party, force majeure or any other reason beyond the reasonable control of Operator.

(b) Liquidated Damages. In view of the difficulty of determining the amount of damages which may result to Operator from any termination of this Agreement pursuant to Section 5(a)(i) above, Owner shall pay to Operator, not as a penalty but as liquidated damages, an amount equal to the product of (i) seventy-five percent of the Monthly Service Charge in effect immediately preceding the effective date of such termination, multiplied by (ii) the number of full and partial months remaining in the Initial Term or the Renewal Term as the case may be.

(c) Individual Service. If this Agreement is terminated for any reason prior to the expiration or termination of the Access Agreement, the Operator shall have the right to contract with, and provide services to, any individual residents of the Premises at the then current retail rate for such services for the remainder of the term of the Access Agreement.

6. Force Majeure. Operator shall not be deemed to be in breach of this Agreement if it is unable to perform its obligations hereunder as a result of the occurrence of an event of "force majeure," which shall include, but not be limited to, acts of God, acts of the government of the United States or of any state or political subdivision thereof, strikes, civil riots or disturbances, fire, floods, explosions, earthquakes, wind, storms, hurricanes, lightning, other similar catastrophes or other causes beyond Operator's control.

7. **Successors to Both Parties; Related Parties to Operator.** The benefits and obligations of this Agreement shall inure to the benefit of and be binding upon Operator and Owner and their respective successors, assigns, heirs, and personal representatives. The rights of Operator under this Agreement may be enforced by Operator or any other entity controlled by or under common control with Operator.

8. **Notices.** All notices or other communications which are required to be given to a party pursuant to the terms of this Agreement shall be sufficient if given in writing and delivered personally, by telecopy, by overnight courier, or by registered or certified mail, postage prepaid, to the receiving party at the respective address set forth below their signature on the signature page to this Agreement or to such other address as such party may have given notice to the other pursuant hereto. Notice shall be deemed given on the date of delivery, in the case of personal delivery, on the date specified in the telecopy confirmation, in the case of telecopy, or on the delivery or refusal date, as specified on the return receipt, in the case of overnight courier or registered or certified mail.

9. **Legal Status.** This Agreement does not create any agency, employment, joint employer, joint venture or partnership between Operator and Owner. Neither party shall have the right, power or authority to act for the other in any manner.

10. **Attorneys Fees and Court Costs to Prevailing Party.** In the event either Operator or Owner retains an attorney to pursue the other party's default or breach of this Agreement, the defaulting or breaching party shall pay to the prevailing party any and all costs and expenses, including a reasonable attorney's fee, which may be incurred by the prevailing party arising out of the default or breach of the other party, whether or not suit is filed, and, if suit is filed, both before and after judgment.

11. **Jurisdiction and Venue.** Jurisdiction over this Agreement and the parties to this Agreement shall be in the district courts in the State of Utah, and venue shall be in Carbon County.

12. **Miscellaneous Provisions.** This Agreement contains the entire agreement between Owner and Operator and may not be amended except by an agreement in writing signed by the parties. The person signing on behalf of the Owner represents that he/she is the owner of the Premises or the authorized agent of Owner, with full authority to bind Owner to the terms and conditions of this Agreement. This Agreement shall not be binding upon Operator until signed by an authorized representative of Operator. Additional provisions, if any, are contained in Exhibit B attached hereto and incorporated herein.

The parties have executed this Agreement by their duly-authorized representatives.

OPERATOR:

PRECIS COMMUNICATIONS, LLC

By: [Signature]

Name: SHANE BAGGS  
(Print or type)

Title: DIRECTOR OF OPERATIONS

Address: 1750 S. Highway 10  
Price, UT 84501  
435-637-6823

Attn: \_\_\_\_\_

Telecopy: \_\_\_\_\_

OWNER:

Maple Cove Apartments

By: [Signature]

Name: Kevin Patterson  
(Print or Type)

Title: owner/manager

Address: P.O Box 105  
Altamont Ut  
84001

Attn: NA

Telecopy: \_\_\_\_\_

**EXHIBIT A**

To Bulk Rate Agreement Dated August 10, 2004

Between

Precis Communications, LLC  
And

Maple Cove Apartments

**Services Selected**

<b>Product</b>	<b>Number of Units</b>	<b>Starting Rate</b>	<b>Total MRC</b>
Standard Basic (inc. Basic)*	21	\$ 12.48	\$262.08

Total MRC\*\*

~~\$184.58~~

262.08

Installation Fees to be paid by Owner \$ paid

<b>Commercial Properties</b>	<b>Units/Viewing Area (Based on FCMOR)</b>	<b>Starting Rate</b>	<b>Total MRC</b>
Basic Service Only	_____	\$ _____	\$ _____
Standard Basic (inc. Basic)	_____	\$ _____	\$ _____
Digital Basic (requires stand. basic)	_____	\$ _____	\$ _____
Additional Digital Box	_____	\$ _____	\$ _____
_____	_____	\$ _____	\$ _____
DMX	_____	\$ _____	\$ _____
Additional DMX Box	_____	\$ _____	\$ _____
		<b>Total MRC**</b>	<b>\$ _____</b>

\*\*Not including tax, franchise, use or other fees as required by law

Installation Fees to be paid by Owner \$ \_\_\_\_\_

\*A Current Channel Lineup Will Be Attached Upon Execution of this Agreement.

Operator Initials KAP  
Owner Initials ELP

